

MORETELE LOCAL MUNICIPALITY



FINAL BUDGET 2020/2021 to 2022/2023

CONTENTS

1. RESOLUTIONS.....	4
2. Mayor's report.....	6
3. Executive Summary.....	6
3.1. Operating Revenue Framework	12
4. BUDGET TABLES.....	21
4.1 Table 6 Explanatory notes to MBRR Table A1 - Budget.....	22
4.2 Table 7 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification) Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification).....	24
4.3 Table 8 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)	28
Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote).....	29
4.4 Table 9 MBRR Table A4 - Budgeted Financial Performance.....	31
4.5Table 10 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source.....	32
4.6 TABLE 11 STATEMENT of Financial Position a6.....	35
4.7 Table 12 Cash Flow Statement a7	35
4.8 TABLE 13 Cash back Reserve/ Accumulated Surplus Reconciliation a8	39
4.9 Table 14 A9 Assets Management	40
4.10 Table 15 A10 Basic Service Delivery Measurements	42
5. Overview of annual budget process	43
IDP and Service Delivery and Budget Implementation Plan.....	44
6. OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP	52
surable performance objectives and indicato	59
7. MEASUREBLE PERFORMANCE OBJECTIVES AND INDICATORS	61
ii. Free Basic Services: basic social services package for indigent households	62
iii. Providing clean water and managing waste water	62
8. Overview of budget-related-policies.....	63
9. MTREF Budget Assumptions 2019/2020	66
10.OVERVIEW OF BUDGET FUNDING	69
12.EXPENDITURE ON ALLOCATIONS AND GRANTS PROGRAMMES.....	71
13. ALLOCATIONS OR GRANTS MADE BY THE MUNICIPALITY.....	72

14 COUNCILLORS ALLOWANCE AND EMPLOYEES BENEFITS.....	72
15.Monthly targets for Revenue, Expenditure and Cash flow	74
15. ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS ..	75
16.ANNUAL BUDGET AND SERVICE DELIVERY AGREEMENTS- ENTITIES AND EXTERNAL MECHANISMS	78
17.CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS.....	78
18. CAPITAL EXPENDITURE DETAILS	79
19. LEGISLATIVE COMPLIANCE STATUS	80
20.OTHER SUPPORTING DOCUMENTS	81
4.2 All request from outside the jurisdiction Area	Error! Bookmark not defined.
21. ANNUAL BUDGETS OF THE MUNICIPAL ENTITIES ATTACHED TO THE ANNUAL BUDGET	
88	
22. MUNICIPAL MANAGER'S QUALITY CERTIFICATE.....	88

1. RESOLUTIONS

Medium Term Revenue and Expenditure Framework (MTREF) budget for 2020/21 to 2022/2023 Financial Years.

Reporting Flow:

Executive Committee

Council

1. Purpose

The purpose of the report is to request EXCO and Council to adopt the Final Annual Budget 2020/2021 to 2022/2023 Medium Term Revenue and Expenditure Framework (MTREF), as well as budget related policies and tariffs.

2. Background

In term of Section 24(1) of the Municipal Finance Management Act (MFMA) No. 56 of 2003, the council of the municipality must for each year approve an annual budget for the municipality before the start of the financial year.

Section 16(1) of MFMA states that, the council of a municipality must for each financial year approve an annual

Section 16(2) for a municipality to comply with subsection (1), the mayor of the municipality must table the Final budget and annual budget at a council meeting at least 90 days and 30 days respectively before the start of the budget year.

Detail budget report is attached with all budget related documents, that includes budget schedules, Quality Certificate, Tariffs and Budget related policies.

3. Discussions

Detail budget report is attached with all budget related documents, that includes National Treasury Schedules, Quality Certificate, Tariffs and Budget related policies.

4. Budget Resolutions

4.1 That EXCO and Council notes the report

4.2 That EXCO and Council approves the Final Budget 2020/2021 to 2022/2023 financial years.

4.3 That the budget related policies and tariffs be approved.

4.4 That the Quality Certificate that support the budget of 2020/2021 financial be signed by the accounting officer.

4.5 That the 2020/21 procurement plan be approved for implementation.

4.6 That the 2020/21 Financial plan be approved for implememtation

EXCO RECOMMENDATIONS

That Council notes the report

That Council approves the Final Budget 2020/2021 to 2022/2023 financial years.

That Council approves the budget related policies and tariffs.

That the Quality Certificate that support the budget of 2020/2021 financial be signed by the accounting officer.

That the 2020/21 procurement plan be approved for implementation

That the Financial Plan be approved for implementation.

COUNCIL RECOMMENDATIONS

SEE THE ATTACHED SIGNED COUNCIL RESOLUTION

2. MAYOR'S REPORT

(SEE THE ATTACHED REPORT)

3. EXECUTIVE SUMMARY

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high priority programmes so as to maintain sound financial stewardship.

The Municipality is embarking on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers mainly state owned. Some of these revenue collection strategies are through the new valuation roll which was implemented in the 2019 financial year and is valid until 2023. The implemented valuation roll will assist with new organ of state which were part of the area allocated to Moretele since the last demarcation. The municipality will continue to monitor changes in the property development space to ensure the validity of the valuation roll.

Budget 2020/2021 MTREF.

The main challenges experienced during the compilation of the Budget 2020/2021 MTREF can be summarized as follows:

- The municipality aimed to avert a unfunded budget through application of .
- Low revenue collection and growing aging population.
- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained roads and electricity infrastructure;
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and with also ensuring the non-declining cash position of the municipality;
 - ❖ Affordability of capital projects – Allocation for MIG was R114,7 million in 2019/20, it has decreased to R113,9-million 2020/21. The municipality has prioritized water and sanitation on new projects and completion of MIG registered projects.
 - ❖ WSIG allocation has increased from R80-million in 2019/20 to R84-million in 2020/21 financial year... The grant is for Municipal water Infrastructure Grant, the municipality uses this grant mainly for sanitation projects and yard connections whenever there are limitations from MIG conditions. The grant will assist in fast tracking water storage and reticulation projects.

The following budget principles and guidelines directly informed the compilation of the Final annual Budget 2020/21:

- The 2019/2020 Final Budget priorities and targets, as well as the base line allocations contained in that Final Budget were adopted as the upper limits for the new baselines for the 2020/21 Final budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals; In view of the aforementioned, the following table is a consolidated overview of the proposed 2020/21 Medium-term Revenue and Expenditure

MORETELE LOCAL MUNICIPALITY		MEDIUM TERM REVENUE FRAMEWORK(MTREF)		
DESCRIPTION		2020/2021	2021/2022	2022/2023
		FINAL	FINAL	FINAL
TOTAL EXPENDITURE		461 228 708	483 790 693	507 629 079
TOTAL OPERATING INCOME		-698 766 309	-743 512 188	-784 802 628
TOTAL OPERATING SURPLUS / DEFICIT		-237 537 601	-259 721 496	-277 173 549

The total revenue budget for 2020/21 is R698,7-million including capital budget compared with 2019/20 is R656,2-million which represents an increase in budget income estimates of R42-million.

Moretele Municipality is still dependent on grants as a major contributor of revenue. The Gazetted Division of Revenue Act has confirmed the following transfers to the municipality:

The revenue grants are R568,4-million for 2020/21 funded by transfers from National Departments. The following narrations indicates all revenue to be received and Charged in 2019/20 financial years:

The 2020/21 Financial Year (FY) operating expenditure is R 461 million compared to R468- million for 2019/20 which indicates an increase of R6 million. This reflect a surplus of R 237 ,5 million excluding capital expenditure.

NW371 Moretele - Table A1 Budget Summary

Description R thousands	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Financial Performance										
Property rates	44 933	45 249	46 902	45 248	45 248	45 248	45 248	46 684	48 831	51 077
Service charges	44 497	47 837	50 013	39 614	39 614	39 614	39 614	54 446	56 950	59 570
Investment revenue	11 996	8 905	5 227	14 311	14 311	14 311	14 311	14 955	15 643	16 362
Transfers recognised - operational	271 441	289 187	310 803	346 842	346 863	346 863	346 863	370 105	394 000	417 274
Other own revenue	51 477	10 713	6 025	15 083	15 083	15 083	15 083	14 189	14 842	15 525
Total Revenue (excluding capital transfers and contributions)	424 344	401 889	418 969	461 098	461 119	461 119	461 119	500 378	530 266	559 808
Employee costs	89 842	109 296	111 436	142 824	142 824	142 824	142 824	142 287	151 179	160 218
Remuneration of councillors	16 830	18 810	19 337	22 978	22 978	22 978	22 978	24 360	25 821	27 371
Depreciation & asset impairment	64 829	90 134	85 713	44 081	44 081	44 081	44 081	46 065	48 184	50 401
Finance charges	17 461	22 404	2 773	206	206	206	206	215	225	235
Materials and bulk purchases	51 886	21 966	49 725	56 886	62 786	62 786	62 786	50 355	52 672	55 095
Transfers and grants	-	-	-	4 314	4 314	4 314	4 314	13 909	14 549	14 598
Other expenditure	224 791	277 921	272 446	197 489	178 509	178 509	178 509	184 038	191 160	199 712
Total Expenditure	465 640	540 531	541 431	468 777	455 698	455 698	455 698	461 229	483 790	507 629
Surplus/(Deficit)	(41 296)	(138 642)	(122 461)	(7 679)	5 421	5 421	5 421	39 150	46 476	52 179
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	143 529	205 511	160 092	194 780	194 780	194 780	194 780	198 388	213 246	224 995
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	102 233	66 869	37 631	187 101	200 201	200 201	200 201	237 538	259 722	277 174
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	102 233	66 869	37 631	187 101	200 201	200 201	200 201	237 538	259 722	277 174
Capital expenditure & funds sources										
Capital expenditure	250 323	246 832	236 688	199 641	199 941	199 941	199 941	215 800	223 178	247 409
Transfers recognised - capital	190 938	205 511	201 875	189 041	189 341	189 341	189 341	192 689	208 178	229 409
Borrowing	-	-	18 006	-	-	-	-	-	-	-
Internally generated funds	59 385	41 321	16 807	10 600	10 600	10 600	10 600	23 111	15 000	18 000
Total sources of capital funds	250 323	246 832	236 688	199 641	199 941	199 941	199 941	215 800	223 178	247 409
Financial position										
Total current assets	139 773	36 151	56 846	79 591	119 401	119 401	119 401	156 565	226 340	312 850
Total non current assets	1 011 232	1 111 844	1 160 413	1 112 158	1 363 242	1 363 242	1 363 242	1 316 272	1 486 007	1 661 000
Total current liabilities	228 595	221 329	235 877	54 414	50 654	50 654	50 654	59 050	45 913	47 893
Total non current liabilities	56 844	20 444	37 528	-	39 305	39 305	39 305	23 624	24 805	26 045
Community wealth/Equity	865 566	906 222	943 854	1 137 334	1 392 685	1 392 685	1 392 685	1 382 879	1 629 674	1 903 132
Cash flows										
Net cash from (used) operating	187 912	268 883	146 316	206 014	209 831	209 831	209 831	207 554	228 359	243 834
Net cash from (used) investing	(184 054)	(195 197)	(115 125)	(199 641)	(199 941)	(199 941)	(199 941)	(215 800)	(223 178)	(247 409)
Net cash from (used) financing	(97 957)	(125 253)	(3 785)	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	64 297	12 730	41 293	11 373	51 183	51 183	51 183	42 938	48 119	44 545
Cash backing/surplus reconciliation										
Cash and investments available	64 297	13 887	41 293	11 373	51 183	51 183	51 183	42 938	48 119	44 545
Application of cash and investments	77 881	159 837	204 097	42 359	35 584	35 584	35 584	29 017	(25 286)	(55 551)
Balance - surplus (shortfall)	(13 584)	(145 951)	(162 804)	(30 987)	15 599	15 599	15 599	22 166	43 196	75 405
Asset management										
Asset register summary (WDV)	1 011 232	1 141 263	1 160 413	1 112 158	1 358 464	1 316 272	1 316 272	1 486 007	1 661 000	1 958 809
Depreciation	64 829	90 134	85 713	44 081	44 081	44 081	44 081	46 065	48 184	50 401
Renewal and Upgrading of Existing Assets	-	-	-	-	-	-	-	-	30 000	33 000
Repairs and Maintenance	25 716	39 236	-	18 895	18 695	18 695	18 695	13 409	14 025	14 670
Free services										
Cost of Free Basic Services provided	-	-	-	26 013	26 013	26 013	26 013	19 428	20 322	21 256
Revenue cost of free services provided	-	-	-	401	401	401	401	686	718	751
Households below minimum service level										
Water:	-	-	-	26	26	26	26	26	26	26
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

REVENUE

The total revenue budget for 2020/21 is R698.7-million compared with 2019/20 is R656-million which represents an increase in budget estimates of R42-million.

DESCRIPTION	MEDIUM TERM REVENUE FRAMEWORK(MTREF)		
	2020/2021	2021/2022	2022/2023
	FINAL	FINAL	FINAL
USER / LEVIED CHARGES			
CHARGES : RATES AND TAXES	-46 683 534	-48 830 976	-51 077 202
CHARGES : REFUSE REMOVAL	-23 052 624	-24 113 045	-25 222 245
CHARGES : WATER SALES	-1 992 436	-2 084 088	-2 179 956
CHARGES : WATER BASIC	-29 382 867	-30 734 479	-32 148 265
CHARGES : YARD CONNECTIONS	-17 695	-18 509	-19 361
SUB-TOTAL USER / LEVIED CHARGES	-101 129 156	-105 781 097	-110 647 028

DESCRIPTION	MEDIUM TERM REVENUE FRAMEWORK(MTREF)		
	2020/2021	2021/2022	2022/2023
	FINAL	FINAL	FINAL
GOVERNMENT GRANT AND SUBSIDIES			
EQUITABLE SHARE	-363 948 000	-390 061 000	-413 191 000
WATER INFRASTRUCTURE GRANT	-84 400 000	-89 042 000	-93 316 000
MIG/CMIP	-113 988 000	-124 204 000	-131 679 000
EPWP	-2 259 000	-	-
FINANCE MANAGEMENT GRANT	-3 000 000	-3 000 000	-3 100 000
SPORT, ART AND CULTURE	-898 000	-939 308	-982 516
SUB-TOTAL GOVERNMENT GRANT AND SUBSIDIES	-568 493 000	-607 246 308	-642 268 516

MORETELE LOCAL MUNICIPALITY	MEDIUM TERM REVENUE FRAMEWORK(MTREF)		
	2020/2021	2021/2022	2022/2023
	FINAL	FINAL	FINAL
INTEREST			
DIVIDENDS RECEIVED	-	-	-
INTEREST ON INVESTMENTS	-14 356 266	-15 016 654	-15 707 420
DAILY INTEREST BANK BALANCE	-598 460	-625 989	-654 784
INTEREST ON OUTSTANDING WATER	-12 973 760	-13 570 553	-14 194 798
INTEREST	-27 928 486	-29 213 196	-30 557 003
RENT FACILITIES			
HALL RENTAL	-27 363	-28 621	-29 938
OFFICE RENTAL	-102 610	-107 330	-112 267
SUB-TOTAL RENT FACILITIES AND EQUIPMENT	-129 972	-135 951	-142 205

MORETELE LOCAL MUNICIPALITY	MEDIUM TERM REVENUE FRAMEWORK(MTREF)		
	2020/2021	2021/2022	2022/2023
	FINAL	FINAL	FINAL
INTEREST			
DIVIDENDS RECEIVED	-	-	-
INTEREST ON INVESTMENTS	-14 356 266	-15 016 654	-15 707 420
DAILY INTEREST BANK BALANCE	-598 460	-625 989	-654 784
INTEREST ON OUTSTANDING WATER	-12 973 760	-13 570 553	-14 194 798
INTEREST	-27 928 486	-29 213 196	-30 557 003
RENT FACILITIES			
HALL RENTAL	-27 363	-28 621	-29 938
OFFICE RENTAL	-102 610	-107 330	-112 267
SUB-TOTAL RENT FACILITIES AND EQUIPMENT	-129 972	-135 951	-142 205
OTHER INCOME			
TENDER DOCUMENT	-295 189	-308 768	-322 971
SUNDRY INCOME	-63 668	-66 597	-69 660
TRAFFIC INCOME(20%)	-723 178	-756 444	-791 240
SUB-TOTAL OTHER INCOME	-1 082 035	-1 131 809	-1 183 872

Moretele Municipality is still dependent on grants as a major contributor of revenue. The Gazetted Division of Revenue Act has confirmed the following transfers to the municipality:

Revenue generated from rates and services charges forms an insignificant percentage of the revenue basket for the Municipality, as the municipality is grant dependent. In the 2020/2021 financial year, revenue from rates and trading services charges totaled R101 million or 14% of the total Budget revenue. The revenue from grants amount to R568 million which is 82% of the total budget, the same trend has been maintained from the 2019/20, 2018/19 and 2017/18 financial year.

3.1. OPERATING REVENUE FRAMEWORK

For Moretele Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are facing serious financial difficulties because of low own revenue generation capacity. This will further delay the reduction of backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices must be made in prioritizing projects to be implemented and balancing expenditures against realistically anticipated revenues. The municipality is grants reliant and seeks various methods to augment the financial incapacity.

Some of the mechanisms explored is the grant funds sought from different departments and the alignment of the municipalities strategic objectives to the main conditions of the grants being provided by sister departments.

The Municipality's expenditure framework for the 2020/21 budget and MTREF is informed by the funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA and should there be any operational gains and efficiencies will be directed to funding the capital budget and other core services.

The following table is a high-level summary of the 2020/21 budget and MTREF (classified per main type of operating expenditure):

MORETELE LOCAL MUNICIPALITY	MEDIUM TERM REVENUE FRAMEWORK(MTREF)		
	2020/2021	2021/2022	2022/2023
DESCRIPTION	FINAL	FINAL	FINAL
TOTAL EMPLOYEE/COUNCILLORS RELATED COS	167 740 163	178 163 023	189 233 659
TOTAL GENERAL EXPENSES DEPARTEMENTS	139 129 772	145 518 903	222 602 002
TOTAL GEN EXPEND BULK PURCHASES	45 551 860	47 647 245	49 839 018
TOTAL GENERAL EXPEN - CONTR SERVICES	49 333 319	50 252 292	51 150 777
TOTAL REPAIR AND MAINTENACE	13 408 518	14 025 160	14 670 317
TOTAL DEPRECIATION	46 065 076	48 184 069	50 400 536
TOTAL EXPENDITURE (NETT)	461 228 708	483 790 693	577 896 310

EMPLOYEES COSTS

The original budgeted allocation for employee related costs for the 2020/21 financial year was R167 million, which equals 35 per cent of the total operating expenditure. Based on the three-year collective SALGBC agreement. As part of the Municipality's cost reprioritization and cash management strategy vacancies have been significantly rationalized downwards and only key positions will be appointed.

COUNCILLORS COSTS

The cost associated with the remuneration of councilors is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent

proclamation in this regard has been considered in compiling the Municipality's budget, where a percentage increase of 5 % was applied based on previous trends.

The provision of debt impairment was determined based on an annual collection rate of 90 per cent and the Debt Write-off Policy of the Municipality, Auditor General issued finding with regards to the policy not being updated to suit the current situation. The current situation is that the municipality has been impairing 90% of its debtors every year while the 10% from previous are ballooning the net debtors balance which will results with overstated assets. The municipality wrote off a debt to the value of R 72million in the previous financial year and this will result in a change in the estimates for the 2019/20 debt impairment calculations. While this expenditure is a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues. Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption

BULK PURCHASES

Bulk purchases are directly informed by the purchase of Water from City of Tshwane. The 2019/20 budget for bulk purchase was R43-million and the budget for 2020/21 has increased to is R45 million, this indicate an increase of R 2million. This is due to the increase in supply, as previously City of Tshwane could not meet the required demand of water. Added to this there is a billing dispute with the City of Tshwane, this has however not prevented the municipality from servicing its monthly invoicing.

REPAIRS AND MAINTENANCE

	REPAIR AND MAINTENANCE			
0000-00-1-10-0001	MAINTENANCE BUILDINGS AND INSTALLATIONS	1 555 912	1 627 484	1 702 349
0000-00-1-10-0002	REPAIR & MAINT COMPUTERS	-	-	-
0000-00-1-10-0003	MAINTENANCE OFFICE FURNITURE & EQUIPMENT	33 664	35 212	36 832
0000-00-1-10-0004	MAINTENANCE ROADS / STORMWATER	234 174	244 946	256 214
0000-00-1-10-0005	MAINTENANCE MACHINERY AND EQUIPMENT	150 057	156 809	164 023
0000-00-1-10-0006	MAINTENANCE SUNDRIES	600 000	627 600	656 470
0000-00-1-10-0007	MAINTENANCE VEHICLE	1 784 044	1 866 110	1 951 951
0000-00-1-10-0008	MAINTENANCE DWAF - MAGALIES WATER	6 800 667	7 113 498	7 440 719
0000-00-1-10-0009	MAINTENANCE SEWER TREATMENT PLANT	2 000 000	2 092 000	2 188 232
0000-00-1-10-0010	PMU O&M	-	-	-
0000-00-1-10-0011	MAINTENANCE HIGH MAST AND MEDIUM LIGHTS	250 000	261 500	273 529
0000-00-1-10-0012	TESTING AND MATERIAL	-	-	-
TOTAL REPAIR AND MAINTENACE		13 408 518	14 025 160	14 670 317

The repairs and maintenance budget are supposed to be aligned to the need required to preserve and maintain the Municipality's current infrastructure. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. During the compilation of the 2020/21 Final budget, the repairs and maintenance was reduced by R 5,8 million when compared to the 2019/20 original budget of R 19,2 million. The total budget for Repairs and maintenance id R13,4 million which is 3% of the operational expenditure. This reduction is largely based on terminated contracts from which the maintenance will now be conducted in-house with a capital investment of R 2,8 million towards the heavy duty machinery required to fulfill the service .The truck will also be used as a new revenue generation stream for clearing of residential VIP toilets at a cost to the consumer.

GENERAL EXPENDITURE

The municipality cautiously increased its general expenditure votes by 2.25% as opposed to the recommended 4.5%. This moderate increase was applied to expenditure votes which do not have a direct impact on service delivery. Added to this, the municipality used its contract register to realistically determine which services are terminating. The general expenditure increased by R 6 million for the 2020/21 budget. The municipality continues to implement its cost containment measures against the financial recovery plan to reduce its spending resulting in a 4% increase compared to 2019/20 budget. Total Budget allocated to general expenditure amount to R50.3 million.

CONTRACTED SERVICES

The contracted services budget for the year 2020/21 amounts to R 49,3 million compared to the R 48,3 million budgeted for the 2019/20 financial. The waste removal service was reduced by R 3 million and the water tanker service was increased with 5 additional trucks resulting in an increase of R 3 million. The security services enjoyed a CPI related increase of R 800 thousand. The municipality sought to localize the procurement of critical services to ensure a social sustainability of such projects. Repairs and maintenance where budgeted under contracted services for the value R13 million, Professional Services R23 million and other expenditure which are outsourced service where also budgeted under contracted services to the value of R12.2 million therefore total contracted services amount to R97.5 million.

DEPRECIATION

The depreciation line item was increased by R2 million for the 2020/21 budget making it R 46 million as compared to the 2019/20 budget of R 44 million. The depreciation amount is further affected by the disposal of assets, the removal of a district road from

the Fixed Asset Register of the municipality, including the review of the useful life of some of the specified assets.

Table 2 Summary of revenue classified by main revenue source

NW371 Moretele - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description R thousand	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Property rates	2	44 933	45 249	46 902	45 248	45 248	45 248	-	46 684	48 831	51 077
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	26 344	28 475	29 532	23 325	23 325	23 325	-	31 393	32 837	34 348
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	18 153	19 361	20 481	16 289	16 289	16 289	-	23 053	24 113	25 222
Rental of facilities and equipment		85	163	229	124	124	124		130	136	142
Interest earned - external investments		11 996	8 905	5 227	14 311	14 311	14 311		14 955	15 643	16 362
Interest earned - outstanding debtors		6 685	8 938	2 231	12 415	12 415	12 415		12 974	13 571	14 195
Dividends received		-		-	-	-	-		-	-	-
Fines, penalties and forfeits		-	814	692	-	-	-		-	-	-
Licences and permits				-	-	-	-		723	756	791
Agency services				-	-	-	-		-	-	-
Transfers and subsidies		271 441	289 187	310 803	346 842	346 863	346 863		370 105	394 000	417 274
Other revenue	2	44 043	798	2 873	2 544	2 544	2 544	-	363	379	397
Gains		664	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		424 344	401 889	418 969	461 098	461 119	461 119	-	500 378	530 266	559 808

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit. Revenue generated from rates and services charges forms an insignificant percentage of the revenue basket for the Municipality, as the municipality is grant dependent. In the 2020/2021 financial year, revenue from rates and services charges totaled R89 million the total Budget revenue. There are no material changes when compared to the 2019/20 budget.

Table 3 Operating Transfers and Grant Receipts

NW371 Moretele - Supporting Table SA18 Transfers and grant receipts							2020/21 Medium Term Revenue & Expenditure Framework			
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast			
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		269 943	288 280	310 708	346 012	346 012	346 012	369 207	393 061	416 291
Local Govt:		263 905	284 591	306 721	340 474	340 474	340 474	363 948	390 061	413 191
EPWP Inc:		4 228	1 544	1 772	2 858	2 858	2 858	2 259	—	—
Finance Ma:		1 810	2 145	2 215	2 680	2 680	2 680	3 000	3 000	3 100
Provincial Government:		583	1 222	789	830	851	851	898	939	983
Sport and Rec:		583	1 222	789	830	851	851	898	939	983
District Municipality:		1 499	906	—	—	—	—	—	—	—
[insert description]		1 499	906	—	—	—	—	—	—	—
Other grant providers:		—	—	—	—	—	—	—	—	—
Total Operating	5	272 024	290 408	311 497	346 842	346 863	346 863	370 105	394 000	417 274
Capital Transfers and Grants										
National Government:		142 947	204 289	142 922	194 780	194 780	194 780	198 388	213 246	224 995
Municipal Infrastructure Gra:		107 933	159 816	82 922	114 780	114 780	114 780	113 988	124 204	131 679
Water Service Infrastructure		35 014	44 474	60 000	80 000	80 000	80 000	84 400	89 042	93 316
Provincial Government:		—	—	—	—	—	—	—	—	—
District Municipality:		—	—	—	—	—	—	—	—	—
Other grant providers:		—	—	—	—	—	—	—	—	—
Total Capital Transf	5	142 947	204 289	142 922	194 780	194 780	194 780	198 388	213 246	224 995
TOTAL RECEIPTS OF TRANSF		414 971	494 698	454 419	541 622	541 643	541 643	568 493	607 246	642 269

3.2. Operating Expenditure Framework

The Municipality's expenditure framework for the 2020/21 budget and MTREF is informed by the funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA and should there be any operational gains and efficiencies will be directed to funding the capital budget and other core services.

The following table is a high-level summary of the 2020/21 budget and MTREF (classified per main type of operating expenditure):

Table 4 Summary of operating expenditure by standard classification item

NW371 Moretele - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description R thousand	Ref 1	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Property rates	2	44 933	45 249	46 902	45 248	45 248	45 248	45 248	46 684	48 831	51 077
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	26 344	28 475	29 532	23 325	23 325	23 325	23 325	31 393	32 837	34 348
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	18 153	19 361	20 481	16 289	16 289	16 289	16 289	23 053	24 113	25 222
Rental of facilities and equipment		85	163	229	124	124	124	124	130	136	142
Interest earned - external investments		11 996	8 905	5 227	14 311	14 311	14 311	14 311	14 955	15 643	16 362
Interest earned - outstanding debtors		6 685	8 938	2 231	12 415	12 415	12 415	12 415	12 974	13 571	14 195
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	814	692	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	723	756	791
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		271 441	289 187	310 803	346 842	346 863	346 863	346 863	370 105	394 000	417 274
Other revenue	2	44 043	798	2 873	2 544	2 544	2 544	2 544	363	379	397
Gains		664	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		424 344	401 889	418 969	461 098	461 119	461 119	461 119	500 378	530 266	559 808
Expenditure By Type											
Employee related costs	2	89 842	109 296	111 436	142 824	142 824	142 824	142 824	142 287	151 179	160 218
Remuneration of councillors		16 830	18 810	19 337	22 978	22 978	22 978	22 978	24 360	25 821	27 371
Debt impairment	3	54 147	60 963	59 772	47 833	47 833	47 833	47 833	49 985	52 284	54 689
Depreciation & asset impairment	2	64 829	90 134	85 713	44 081	44 081	44 081	44 081	46 065	48 184	50 401
Finance charges		17 461	22 404	2 773	206	206	206	206	215	225	235
Bulk purchases	2	20 645	21 195	47 736	37 590	43 590	43 590	43 590	45 552	47 647	49 839
Other materials	8	31 241	772	1 989	19 295	19 195	19 195	19 195	4 803	5 024	5 256
Contracted services		62 030	142 925	159 534	62 232	48 398	48 398	48 398	97 564	100 691	104 442
Transfers and subsidies		-	-	-	4 314	4 314	4 314	4 314	13 909	14 549	14 598
Other expenditure	4,5	108 594	70 653	42 994	87 424	82 279	82 279	82 279	36 489	38 185	40 580
Losses		20	3 381	10 146	-	-	-	-	-	-	-
Total Expenditure		465 640	540 531	541 431	468 777	455 698	455 698	455 698	461 229	483 790	507 629
Surplus/(Deficit)		(41 296)	(138 642)	(122 461)	(7 679)	5 421	5 421	5 421	39 150	46 476	52 179
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		143 529	205 511	160 092	194 780	194 780	194 780	194 780	198 388	213 246	224 995
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		102 233	66 869	37 631	187 101	200 201	200 201	200 201	237 538	259 722	277 174
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		102 233	66 869	37 631	187 101	200 201	200 201	200 201	237 538	259 722	277 174
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		102 233	66 869	37 631	187 101	200 201	200 201	200 201	237 538	259 722	277 174
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		102 233	66 869	37 631	187 101	200 201	200 201	200 201	237 538	259 722	277 174

Repairs and maintenance

Table 5 SA 34C

NW371 Moretele - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		23 255	36 679	-	15 685	15 685	15 685	9 285	9 712	10 159
Roads Infrastructure		112	-	-	224	224	224	234	245	256
Roads		112	-	-	224	224	224	234	245	256
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		15 727	-	-	2 450	2 450	2 450	250	262	274
Capital Spares		15 727	-	-	2 450	2 450	2 450	250	262	274
Water Supply Infrastructure		7 236	31 191	-	6 508	6 508	6 508	6 801	7 113	7 441
Dams and Weirs		-	-	-	-	-	-	-	-	-
Distribution		7 236	31 191	-	6 508	6 508	6 508	6 801	7 113	7 441
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		180	5 487	-	6 502	6 502	6 502	2 000	2 092	2 188
Outfall Sewers		-	-	-	-	-	-	2 000	2 092	2 188
Toilet Facilities		180	5 487	-	6 502	6 502	6 502	-	-	-
Cemeteries/Crematoria		-	-	-	-	-	-	600	628	656
Other assets		1 306	1 524	-	1 496	1 296	1 296	1 556	1 627	1 702
Operational Buildings		1 306	1 524	-	1 496	1 296	1 296	1 556	1 627	1 702
Municipal Offices		1 306	1 524	-	1 496	1 296	1 296	1 556	1 627	1 702
Computer Equipment		-	-	-	25	25	25	-	-	-
Computer Equipment		-	-	-	25	25	25	-	-	-
Furniture and Office Equipment		16	16	-	33	33	33	34	35	37
Furniture and Office Equipment		16	16	-	33	33	33	34	35	37
Machinery and Equipment		-	-	-	21	21	21	150	157	164
Machinery and Equipment		-	-	-	21	21	21	150	157	164
Transport Assets		1 139	1 018	-	1 635	1 635	1 635	1 784	1 866	1 952
Transport Assets		1 139	1 018	-	1 635	1 635	1 635	1 784	1 866	1 952
Total Repairs a	1	25 716	39 236	-	18 895	18 695	18 695	13 409	14 025	14 670
R&M as a % of PPE		2.7%	3.7%	0.0%	1.7%	1.4%	1.4%	0.0%	0.9%	0.8%
R&M as % Operating Expendit		5.5%	7.3%	0.0%	4.0%	4.1%	4.1%	0.0%	3.0%	3.0%

The repairs and maintenance budget are supposed to be aligned to the need required to preserve and maintain the Municipality's current infrastructure. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. During the compilation of the 2020/21 budget , the repairs and maintenance was reduced by R5,8 million when compared to the 2019/20 original budget. The total budget for Repairs and maintenance id R13,4 million which is 3% of the operational expenditure.

4. BUDGET TABLES

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2020/21 budget and MTREF as approved by the Council. Each table is accompanied by explanatory notes on the facing page.

4.1 TABLE 6 EXPLANATORY NOTES TO MBRR TABLE A1 - BUDGET
NW371 Moretele - Table A1 Budget Summary

Description R thousands	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Financial Performance										
Property rates	44 933	45 249	46 902	45 248	45 248	45 248	45 248	46 684	48 831	51 077
Service charges	44 497	47 837	50 013	39 614	39 614	39 614	39 614	54 446	56 950	59 570
Investment revenue	11 996	8 905	5 227	14 311	14 311	14 311	14 311	14 955	15 643	16 362
Transfers recognised - operational	271 441	289 187	310 803	346 842	346 863	346 863	346 863	370 105	394 000	417 274
Other own revenue	51 477	10 713	6 025	15 083	15 083	15 083	15 083	14 189	14 842	15 525
	424 344	401 889	418 969	461 098	461 119	461 119	461 119	500 378	530 266	559 808
Total Revenue (excluding capital transfers and contributions)										
Employee costs	89 842	109 296	111 436	142 824	142 824	142 824	142 824	142 287	151 179	160 218
Remuneration of councillors	16 830	18 810	19 337	22 978	22 978	22 978	22 978	24 360	25 821	27 371
Depreciation & asset impairment	64 829	90 134	85 713	44 081	44 081	44 081	44 081	46 065	48 184	50 401
Finance charges	17 461	22 404	2 773	206	206	206	206	215	225	235
Materials and bulk purchases	51 886	21 966	49 725	56 886	62 786	62 786	62 786	50 355	52 672	55 095
Transfers and grants	–	–	–	4 314	4 314	4 314	4 314	4 314	13 909	14 549
Other expenditure	224 791	277 921	272 446	197 489	178 509	178 509	178 509	184 038	191 160	199 712
	465 640	540 531	541 431	468 777	455 698	455 698	455 698	461 229	483 790	507 629
Total Expenditure										
Surplus/(Deficit)	(41 296)	(138 642)	(122 461)	(7 679)	5 421	5 421	5 421	39 150	46 476	52 179
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	143 529	205 511	160 092	194 780	194 780	194 780	194 780	198 388	213 246	224 995
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–
	102 233	66 869	37 631	187 101	200 201	200 201	200 201	237 538	259 722	277 174
Surplus/(Deficit) after capital transfers & contributions	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	102 233	66 869	37 631	187 101	200 201	200 201	200 201	237 538	259 722	277 174
Capital expenditure & funds sources										
Capital expenditure	250 323	246 832	236 688	199 641	199 941	199 941	199 941	215 800	223 178	247 409
Transfers recognised - capital	190 938	205 511	201 875	189 041	189 341	189 341	189 341	192 689	208 178	229 409
Borrowing	–	–	18 006	–	–	–	–	–	–	–
Internally generated funds	59 385	41 321	16 807	10 600	10 600	10 600	10 600	23 111	15 000	18 000
Total sources of capital funds	250 323	246 832	236 688	199 641	199 941	199 941	199 941	215 800	223 178	247 409
Financial position										
Total current assets	139 773	36 151	56 846	79 591	119 401	119 401	119 401	156 565	226 340	312 850
Total non current assets	1 011 232	1 111 844	1 160 413	1 112 158	1 363 242	1 363 242	1 363 242	1 316 272	1 486 007	1 661 000
Total current liabilities	228 595	221 329	235 877	54 414	50 654	50 654	50 654	59 050	45 913	47 893
Total non current liabilities	56 844	20 444	37 528	–	39 305	39 305	39 305	23 624	24 805	26 045
Community wealth/Equity	865 566	906 222	943 854	1 137 334	1 392 685	1 392 685	1 392 685	1 382 879	1 629 674	1 903 132
	227 914	227 914	227 914	227 914	227 914	227 914	227 914	227 914	227 914	227 914
Cash flows										
Net cash from (used) operating	187 912	268 883	146 316	206 014	209 831	209 831	209 831	207 554	228 359	243 834
Net cash from (used) investing	(184 054)	(195 197)	(115 125)	(199 641)	(199 941)	(199 941)	(199 941)	(215 800)	(223 178)	(247 409)
Net cash from (used) financing	(97 957)	(125 253)	(3 785)	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	64 297	12 730	41 293	11 373	51 183	51 183	51 183	42 938	48 119	44 545
Cash backing/surplus reconciliation										
Cash and investments available	64 297	13 887	41 293	11 373	51 183	51 183	51 183	42 938	48 119	44 545
Application of cash and investments	77 881	159 837	204 097	42 359	35 584	35 584	29 017	(259)	(27 286)	(55 551)
Balance - surplus (shortfall)	(13 584)	(145 951)	(162 804)	(30 987)	15 599	15 599	22 166	43 196	75 405	100 096
Asset management										
Asset register summary (WDV)	1 011 232	1 141 263	1 160 413	1 112 158	1 358 464	1 316 272	1 316 272	1 486 007	1 661 000	1 958 809
Depreciation	64 829	90 134	85 713	44 081	44 081	44 081	44 081	46 065	48 184	50 401
Renewal and Upgrading of Existing Assets	–	–	–	–	–	–	–	18 000	30 000	33 000
Repairs and Maintenance	25 716	39 236	–	18 895	18 695	18 695	18 695	13 409	14 025	14 670
Free services										
Cost of Free Basic Services provided	–	–	–	26 013	26 013	26 013	19 428	19 428	20 322	21 256
Revenue cost of free services provided	–	–	–	401	401	401	686	686	718	751
Households below minimum service level										
Water:	–	–	–	26	26	26	26	26	26	26
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

- a. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
- b. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
- c. Financial management reforms emphasize the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognized is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow budget
 - iii. Internally generated funds are financed from a combination of the current generating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

4.2 TABLE 7 MBRR TABLE A2 - BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY STANDARD CLASSIFICATION) EXPLANATORY NOTES TO MBRR TABLE A2 - BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY STANDARD CLASSIFICATION)

Medium Term Revenue and Expenditure Framework (MTREF) Budget for 2020/21, 2021/22 and 2022/23 FY

NW371 Moretele - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description R thousand	Ref 1	2016/17 Audited Outcome	2017/18 Audited Outcome	2018/19 Audited Outcome	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
					Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21 +1 2021/22	Budget Year +2 2022/23	
Revenue - Functional										
Municipal governance and administration		379 847	401 889	398 489	409 779	409 779	409 779	442 053	471 620	498 464
Executive and council		-	-	-	-	-	-	-	-	-
Mayor and Council		-	-	-	-	-	-	-	-	-
Municipal Manager, Town Secretary and Chief Executive		-	-	-	-	-	-	-	-	-
Finance and administration		379 847	401 889	398 489	409 779	409 779	409 779	442 053	471 620	498 464
Administrative and Corporate Support		379 847	401 889	398 489	409 779	409 779	409 779	436 990	466 325	492 925
Asset Management		-	-	-	-	-	-	-	-	-
Finance		-	-	-	-	-	-	5 062	5 295	5 539
Internal audit		-	-	-	-	-	-	-	-	-
Governance Function		-	-	-	-	-	-	-	-	-
Community and public safety		-	1 222	598	830	851	851	898	939	983
Community and social services		-	1 222	598	830	851	851	898	939	983
Libraries and Archives		-	1 222	598	830	851	851	898	939	983
Literacy Programmes		-	-	-	-	-	-	-	-	-
Chemical Safety		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	159 816	82 886	115 054	115 054	115 054	114 711	124 980	132 470
Planning and development		-	-	-	114 780	114 780	114 780	113 988	124 204	131 679
Town Planning, Building Regulations and Enforcement, and City Project Management Unit		-	-	-	-	-	-	-	-	-
Provincial Planning		-	-	-	114 780	114 780	114 780	113 988	124 204	131 679
Support to Local Municipalities		-	-	-	-	-	-	-	-	-
Road transport		-	159 816	82 886	274	274	274	723	756	791
Public Transport		-	-	-	274	274	274	723	756	791
Road and Traffic Regulation		-	-	-	-	-	-	-	-	-
Roads		-	159 816	82 886	-	-	-	-	-	-
Taxi Ranks		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Soil Conservation		-	-	-	-	-	-	-	-	-
Trading services		188 026	44 474	97 088	130 215	130 215	130 215	141 105	145 992	152 886
Energy sources		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Street Lighting and Signal Systems		-	-	-	-	-	-	-	-	-
Nonelectric Energy		-	-	-	-	-	-	-	-	-
Water management		169 873	44 474	76 608	113 927	113 927	113 927	141 105	145 992	152 886
Water Treatment		-	-	-	-	-	-	-	-	-
Water Distribution		169 873	44 474	76 608	113 927	113 927	113 927	141 105	145 992	152 886
Water Storage		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Storm Water Management		-	-	-	-	-	-	-	-	-
Waste Water Treatment		-	-	-	-	-	-	-	-	-
Waste management		18 153	-	20 481	16 289	16 289	16 289	-	-	-
Recycling		-	-	-	-	-	-	-	-	-
Solid Waste Disposal (Landfill Sites)		-	-	-	-	-	-	-	-	-
Solid Waste Removal		18 153	-	20 481	16 289	16 289	16 289	-	-	-
Street Cleaning		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Tourism		-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	567 873	607 400	579 062	655 878	655 899	655 899	698 766	743 512	784 803

Medium Term Revenue and Expenditure Framework (MTREF) Budget for 2020/21, 2021/22 and 2022/23 FY

NW371 Moretele - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
					Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21
R thousand	1									
Expenditure - Functional										
<i>Municipal governance and administration</i>		414 909	428 431	279 377	249 315	234 393	234 393	199 791	210 667	222 158
Executive and council		16 830	18 810	41 469	41 158	52 485	52 485	61 680	65 293	69 119
<i>Mayor and Council</i>		16 830	18 810	41 469	41 158	52 485	52 485	61 680	65 293	69 119
<i>Municipal Manager, Town Secretary and Chief Executive</i>					—	—	—	—	—	—
Finance and administration		398 078	409 621	237 908	203 801	174 196	174 196	133 301	140 281	147 646
<i>Administrative and Corporate Support</i>		396 923	409 621	112 636	147 926	116 035	116 035	67 645	70 983	74 499
<i>Asset Management</i>					—	1 787	18	18	—	—
<i>Finance</i>					—	26 876	28 535	28 535	26 449	27 964
<i>Fleet Management</i>					—	—	—	—	—	—
<i>Human Resources</i>		1 155	—	125 272	7 698	7 280	7 280	12 211	12 898	13 626
<i>Information Technology</i>		—	—	—	13 592	15 620	15 620	15 781	16 539	17 333
<i>Supply Chain Management</i>		—	—	—	5 923	6 708	6 708	11 215	11 897	12 621
<i>Valuation Service</i>		—	—	—	—	—	—	—	—	—
<i>Internal audit</i>		—	—	—	4 356	7 712	7 712	4 810	5 093	5 392
<i>Governance Function</i>		—	—	—	4 356	7 712	7 712	4 810	5 093	5 392
<i>Community and public safety</i>		—	—	9 881	19 060	28 295	28 295	34 989	36 969	39 064
Community and social services		—	—	9 881	2 675	12 058	12 058	19 993	21 224	22 531
<i>Aged Care</i>		—	—	—	—	—	—	—	—	—
<i>Child Care Facilities</i>		—	—	—	—	—	—	—	—	—
<i>Community Halls and Facilities</i>		—	—	9 081	—	10 105	10 105	16 793	17 828	18 927
<i>Consumer Protection</i>		—	—	—	—	—	—	—	—	—
<i>Cultural Matters</i>		—	—	—	—	—	—	—	—	—
<i>Disaster Management</i>		—	—	—	1 874	1 060	1 060	2 198	2 332	2 474
<i>Language Policy</i>		—	—	—	—	—	—	—	—	—
<i>Libraries and Archives</i>		—	—	800	801	892	892	1 002	1 065	1 131
<i>Sport and recreation</i>		—	—	—	15 765	15 609	15 609	14 248	14 953	15 693
<i>Beaches and Jetties</i>		—	—	—	—	—	—	—	—	—
<i>Sports Grounds and Stadiums</i>		—	—	—	15 765	15 609	15 609	14 248	14 953	15 693
<i>Public safety</i>		—	—	—	—	—	—	—	—	—
<i>Informal Settlements</i>		—	—	—	—	—	—	—	—	—
<i>Health</i>		—	—	—	621	628	628	748	792	840
<i>Ambulance</i>		—	—	—	—	—	—	—	—	—
<i>Health Services</i>		—	—	—	621	628	628	748	792	840
<i>Economic and environmental services</i>		—	—	16 620	45 368	45 541	45 541	74 659	74 594	77 219
Planning and development		—	—	3 803	12 443	14 536	14 536	41 270	39 510	40 350
<i>Billboards</i>		—	—	—	—	—	—	—	—	—
<i>Economic Development/Planning</i>		—	—	3 803	6 785	8 009	8 009	35 816	33 717	34 610
<i>Regional Planning and Development</i>		—	—	—	—	—	—	—	—	—
<i>Town Planning, Building Regulations and Enforcement, and City Project Management Unit</i>		—	—	—	—	—	—	—	—	—
<i>Provincial Planning</i>		—	—	—	5 658	6 527	6 527	5 455	5 792	5 740
<i>Support to Local Municipalities</i>		—	—	—	—	—	—	—	—	—
Road transport		—	—	12 816	32 925	31 005	31 005	33 388	35 085	36 869
<i>Public Transport</i>		—	—	—	4 083	2 268	2 268	3 847	4 086	4 338
<i>Road and Traffic Regulation</i>		—	—	—	28 842	28 737	28 737	29 541	30 999	32 531
Roads		—	—	12 816	—	—	—	—	—	—
<i>Trading services</i>		50 731	112 100	235 552	155 034	147 469	147 469	151 790	161 160	169 188
Energy sources		—	—	6 761	9 285	9 627	9 627	7 749	8 106	8 478
<i>Electricity</i>		—	—	6 761	9 285	9 627	9 627	7 749	8 106	8 478
<i>Street Lighting and Signal Systems</i>		—	—	—	—	—	—	—	—	—
<i>Nonelectric Energy</i>		—	—	—	—	—	—	—	—	—
Water management		50 731	112 100	194 156	145 749	137 843	137 843	144 041	153 454	160 709
<i>Water Treatment</i>		—	—	—	—	—	—	—	—	—
<i>Water Distribution</i>		50 731	112 100	194 156	145 749	137 843	137 843	144 041	153 454	160 709
<i>Water Storage</i>		—	—	—	—	—	—	—	—	—
Waste management		—	—	34 635	—	—	—	—	—	—
<i>Recycling</i>		—	—	—	—	—	—	—	—	—
<i>Solid Waste Disposal (Landfill Sites)</i>		—	—	—	—	—	—	—	—	—
<i>Solid Waste Removal</i>		—	—	34 635	—	—	—	—	—	—
<i>Street Cleaning</i>		—	—	—	—	—	—	—	—	—
Total Expenditure - Functional	3	465 640	540 531	541 431	468 777	455 698	455 698	461 229	483 790	507 629
Surplus/(Deficit) for the year		102 233	66 869	37 631	187 101	200 201	200 201	237 538	259 722	277 174

- a. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified MSCOA standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile ‘whole of government’ reports.

**4.3 TABLE 8 MBRR TABLE A3 - BUDGETED FINANCIAL PERFORMANCE
(REVENUE AND EXPENDITURE BY MUNICIPAL VOTE)**

NW371 Moretele - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote	1									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		379 847	401 889	398 489	409 779	409 779	409 779	436 990	466 325	492 925
Vote 4 - Finance Department		-	-	-	-	-	-	5 062	5 295	5 539
Vote 5 - Community Development Services		-	1 222	598	1 104	1 125	1 125	1 621	1 696	1 774
Vote 6 - Infrastructure Development Services		169 873	204 289	159 494	244 995	244 995	244 995	255 093	270 196	284 565
Vote 7 - Local Economic Development		18 153	-	20 481	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	567 873	607 400	579 062	655 878	655 899	655 899	698 766	743 512	784 803
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		16 830	18 810	41 469	65 745	62 836	62 836	61 680	65 293	69 119
Vote 2 - Municipal Manager		-	-	-	12 156	12 022	12 022	4 810	5 093	5 392
Vote 3 - Corporate Services		1 155	-	125 272	73 014	74 322	74 322	95 637	100 420	105 457
Vote 4 - Finance Department		396 923	409 621	112 636	46 785	46 204	46 204	37 664	39 861	42 189
Vote 5 - Community Development Services		-	-	9 881	41 220	41 010	41 010	38 836	41 055	43 403
Vote 6 - Infrastructure Development Services		50 731	112 100	213 734	192 086	184 747	184 747	186 786	198 351	207 459
Vote 7 - Local Economic Development		-	-	38 438	37 772	34 557	34 557	35 816	33 717	34 610
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	465 640	540 531	541 431	468 777	455 698	455 698	461 229	483 790	507 629
Surplus/(Deficit) for the year	2	102 233	66 869	37 631	187 101	200 201	200 201	237 538	259 722	277 174

EXPLANATORY NOTES TO MBRR TABLE A3 - BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY MUNICIPAL VOTE)

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

NW371 Moretele - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description R thousand	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote	1									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
1.1 - Mayor and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-
2.1 - Municipal Manager Town Secretary and Ch		-	-	-	-	-	-	-	-	-
2.2 - Governance Function		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	379 847	401 889	398 489	409 779	409 779	409 779	436 990	466 325	492 925	
3.1 - Information Technology		-	-	-	-	-	-	-	-	-
3.2 - Administrative and Corporate Support	379 847	401 889	398 489	409 779	409 779	409 779	436 990	466 325	492 925	
3.3 - Human Resources		-	-	-	-	-	-	-	-	-
3.4 - Legal Services		-	-	-	-	-	-	-	-	-
Vote 4 - Finance Department		-	-	-	-	-	-	5 062	5 295	5 539
4.1 - Supply Chain Management		-	-	-	-	-	-	-	-	-
4.2 - Property Services		-	-	-	-	-	-	-	-	-
4.3 - Finance		-	-	-	-	-	-	5 062	5 295	5 539
4.4 - Asset Management		-	-	-	-	-	-	-	-	-
Vote 5 - Community Development Services		1 222	598	1 104	1 125	1 125	1 621	1 696	1 774	
5.1 - Disaster Management		-	-	-	-	-	-	-	-	-
5.2 - Libraries and Archives		-	-	830	851	851	898	939	983	
5.3 - Health Services		-	-	-	-	-	-	-	-	-
5.4 - Community Halls and Facilities		1 222	598	-	-	-	-	-	-	-
5.5 - Sports Grounds and Stadiums		-	-	-	-	-	-	-	-	-
5.6 - Community Parks including Nurseries		-	-	-	-	-	-	-	-	-
5.7 - Public Transport		-	-	274	274	274	723	756	791	
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure Development Services	169 873	204 289	159 494	244 995	244 995	244 995	255 093	270 196	284 565	
6.1 - Water Treatment		-	-	-	-	-	-	-	-	-
6.2 - Public Toilets		-	-	-	-	-	-	-	-	-
6.3 - Water Distribution	169 873	44 474	76 608	130 215	130 215	130 215	141 105	145 992	152 886	
6.4 - Electricity		-	-	-	-	-	-	-	-	-
6.5 - Street Lighting and Signal Systems		-	-	-	-	-	-	-	-	-
6.6 - Project Management Unit		-	-	114 780	114 780	114 780	113 988	124 204	131 679	
6.7 - Roads		159 816	82 886	-	-	-	-	-	-	-
Vote 7 - Local Economic Development	18 153	-	20 481	-	-	-	-	-	-	-
7.1 - Solid Waste Removal	18 153	-	20 481	-	-	-	-	-	-	-
Total Revenue by Vote	2	567 873	607 400	579 062	655 878	655 899	655 899	698 766	743 512	784 803

NW371 Moretele - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A										
Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22
Expenditure by Vote	1									
Vote 1 - Executive and Council		16 830	18 810	41 469	65 745	62 836	62 836	61 680	65 293	69 119
1.1 - Mayor and Council		16 830	18 810	41 469	24 063	22 015	22 015	61 680	65 293	69 119
0					23 385	23 325	23 325	-	-	-
0					3 423	3 423	3 423	-	-	-
0					14 860	14 060	14 060	-	-	-
Vote 2 - Municipal Manager		-	-	-	12 156	12 022	12 022	4 810	5 093	5 392
2.1 - Municipal Manager Town Secretary and Ch		-	-	-	2 541	2 541	2 541	-	-	-
2.2 - Governance Function		-	-	-	5 259	5 225	5 225	4 810	5 093	5 392
0		-	-	-	4 356	4 256	4 256	-	-	-
Vote 3 - Corporate Services		1 155	-	125 272	73 014	74 322	74 322	95 637	100 420	105 457
3.1 - Information Technology				-	13 592	15 250	15 250	15 781	16 539	17 333
3.2 - Administrative and Corporate Support		1 155	-	125 272	46 686	46 336	46 336	67 645	70 983	74 499
3.3 - Human Resources		-		-	12 736	12 736	12 736	12 211	12 898	13 626
Vote 4 - Finance Department		396 923	409 621	112 636	46 785	46 204	46 204	37 664	39 861	42 189
4.1 - Supply Chain Management		-	-	-	7 710	7 010	7 010	11 215	11 897	12 621
4.2 - Property Services				-	22 024	20 530	20 530	-	-	-
4.3 - Finance		396 923	409 621	112 636	12 209	13 822	13 822	26 449	27 964	29 567
4.4 - Asset Management				-	4 842	4 842	4 842	-	-	-
0				-	-	-	-	-	-	-
Vote 5 - Community Development Services		-	-	9 881	41 220	41 010	41 010	38 836	41 055	43 403
5.1 - Disaster Management		-	-	-	1 751	1 726	1 726	2 198	2 332	2 474
5.2 - Libraries and Archives		-	-	-	1 766	1 961	1 961	1 002	1 065	1 131
5.3 - Health Services		-	-	-	621	671	671	748	792	840
5.4 - Community Halls and Facilities		-	-	9 881	17 512	17 432	17 432	16 793	17 828	18 927
5.5 - Sports Grounds and Stadiums		-	-	-	15 488	15 138	15 138	14 248	14 953	15 693
5.7 - Public Transport		-	-	-	4 083	4 083	4 083	3 847	4 086	4 338
Vote 6 - Infrastructure Development Services		50 731	112 100	213 734	192 086	184 747	184 747	186 786	198 351	207 459
6.3 - Water Distribution		50 731	112 100	194 156	148 300	141 333	141 333	144 041	153 454	160 709
6.4 - Electricity				-	9 285	9 627	9 627	7 749	8 106	8 478
6.5 - Street Lighting and Signal Systems				6 761	-	-	-	-	-	-
6.6 - Project Management Unit				-	5 658	4 943	4 943	5 455	5 792	5 740
6.7 - Roads				12 816	28 844	28 844	28 844	29 541	30 999	32 531
0				-	-	-	-	-	-	-
Vote 7 - Local Economic Development		-	-	38 438	37 772	34 557	34 557	35 816	33 717	34 610
7.1 - Solid Waste Removal		-	-	34 635	-	-	-	-	-	-
7.2 - Economic Development/Planning		-	-	3 803	37 772	34 557	34 557	35 816	33 717	34 610
Total Expenditure by Vote	2	465 640	540 531	541 431	468 777	455 698	455 698	461 229	483 790	507 629
Surplus/(Deficit) for the year	2	102 233	66 869	37 631	187 101	200 201	200 201	237 538	259 722	277 174

4.4 TABLE 9 MBRR TABLE A4 - BUDGETED FINANCIAL PERFORMANCE

NW371 Moretele - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description R thousand	Ref 1	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Property rates	2	44 933	45 249	46 902	45 248	45 248	45 248	45 248	46 684	48 831	51 077
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	26 344	28 475	29 532	23 325	23 325	23 325	23 325	31 393	32 837	34 348
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	18 153	19 361	20 481	16 289	16 289	16 289	16 289	23 053	24 113	25 222
Rental of facilities and equipment		85	163	229	124	124	124	124	130	136	142
Interest earned - external investments		11 996	8 905	5 227	14 311	14 311	14 311	14 311	14 955	15 643	16 362
Interest earned - outstanding debtors		6 685	8 938	2 231	12 415	12 415	12 415	12 415	12 974	13 571	14 195
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	814	692	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	723	756	791
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		271 441	289 187	310 803	346 842	346 863	346 863	346 863	370 105	394 000	417 274
Other revenue	2	44 043	798	2 873	2 544	2 544	2 544	2 544	363	379	397
Gains		664	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		424 344	401 889	418 969	461 098	461 119	461 119	461 119	500 378	530 266	559 808
Expenditure By Type											
Employee related costs	2	89 842	109 296	111 436	142 824	142 824	142 824	142 824	142 287	151 179	160 218
Remuneration of councillors		16 830	18 810	19 337	22 978	22 978	22 978	22 978	24 360	25 821	27 371
Debt impairment	3	54 147	60 963	59 772	47 833	47 833	47 833	47 833	49 985	52 284	54 689
Depreciation & asset impairment	2	64 829	90 134	85 713	44 081	44 081	44 081	44 081	46 065	48 184	50 401
Finance charges		17 461	22 404	2 773	206	206	206	206	215	225	235
Bulk purchases	2	20 645	21 195	47 736	37 590	43 590	43 590	43 590	45 552	47 647	49 839
Other materials	8	31 241	772	1 989	19 295	19 195	19 195	19 195	4 803	5 024	5 256
Contracted services		62 030	142 925	159 534	62 232	48 398	48 398	48 398	97 564	100 691	104 442
Transfers and subsidies		-	-	-	4 314	4 314	4 314	4 314	13 909	14 549	14 598
Other expenditure	4,5	108 594	70 653	42 994	87 424	82 279	82 279	82 279	36 489	38 185	40 580
Losses		20	3 381	10 146	-	-	-	-	-	-	-
Total Expenditure		465 640	540 531	541 431	468 777	455 698	455 698	455 698	461 229	483 790	507 629
Surplus/(Deficit)											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(41 296)	(138 642)	(122 461)	(7 679)	5 421	5 421	5 421	39 150	46 476	52 179
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	143 529	205 511	160 092	194 780	194 780	194 780	194 780	198 388	213 246	224 995
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		102 233	66 869	37 631	187 101	200 201	200 201	200 201	237 538	259 722	277 174
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		102 233	66 869	37 631	187 101	200 201	200 201	200 201	237 538	259 722	277 174
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		102 233	66 869	37 631	187 101	200 201	200 201	200 201	237 538	259 722	277 174
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		102 233	66 869	37 631	187 101	200 201	200 201	200 201	237 538	259 722	277 174

1. Total operating revenue is R500 million in 2020/21 and Revenue to be generated from property rates is R 46 million in the 2020/21.
2. Services charges relating to water and refuse removal constitutes R55 million of the internal funding/ own revenue. The original budget for services charges water is R31 Million and for refuse is R23 million.
3. Transfers recognized – operating includes the local government equitable share and other operating grants from national and provincial government is R363,9 million.
4. Bulk purchases for 2020/21 budget is R45-million.
5. The original budgeted allocation for employee related costs for the 2020/21 financial year was R167 million, which equals 35 per cent of the total operating expenditure.
6. Professional Services- Budget for professional services for 2020/21 was R 23million as compared to the budget for 2019/20 amounting to R24,8 million which reflect a decrease of R1,8 million (Included in the contracted services)
7. Other materials/ repairs and maintenance- The budget for 2020/21 was R13,4 million and for 2019/20 R19 million, which indicate a decrease of R6 million.
8. Fuel and Lubricant- The budget for Fuel and Lubricant for 2020/21 is R4,4 million. (Other materials)

4.5 TABLE 10 MBRR TABLE A5 - BUDGETED CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING SOURCE

Medium Term Revenue and Expenditure Framework (MTREF) Budget for 2020/21, 2021/22 and 2022/23 FY

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Finance Department		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Development Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure Development Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Local Economic Development		-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	10 600	10 600	10 600	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	28 133	41 676	34 813	-	-	-	-	1 971	-	-	-
Vote 4 - Finance Department		-	-	-	-	-	-	18 000	15 000	18 000	
Vote 5 - Community Development Services		-	10 038	16 189	11 000	5 997	5 997	-	6 340	6 000	12 000
Vote 6 - Infrastructure Development Services	221 406	194 151	185 686	178 041	183 344	183 344	-	189 489	202 178	217 409	
Vote 7 - Local Economic Development	784	966	-	-	-	-	-	-	-	-	-
Vote 8 -	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	250 323	246 832	236 688	199 641	199 941	199 941	-	-	215 800	223 178	247 409
Total Capital Expenditure - Vote	250 323	246 832	236 688	199 641	199 941	199 941	-	-	215 800	223 178	247 409
Capital Expenditure - Functional											
Governance and administration	28 133	41 676	34 813	10 600	10 600	10 600	-	19 971	15 000	18 000	
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration	28 133	41 676	34 813	10 600	10 600	10 600	-	19 971	15 000	18 000	
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety	-	10 038	16 189	25 500	11 147	11 147	-	6 340	6 000	12 000	
Community and social services		-	-	-	-	-	-	6 186	6 000	12 000	
Sport and recreation	-	6 486	16 189	11 000	5 997	5 997	-	154	-	-	
Public safety		3 552	-	14 500	5 150	5 150	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services	74 447	60 977	62 465	30 000	37 090	37 090	-	26 000	21 000	21 000	
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport	74 447	60 977	62 465	30 000	37 090	37 090	-	26 000	21 000	21 000	
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services	147 743	134 141	123 221	133 541	140 803	140 803	-	163 489	181 178	196 409	
Energy sources	1 097	-	4 833	-	-	-	-	11 000	15 000	15 000	
Water management	126 512	133 175	105 785	85 541	80 050	80 050	-	93 089	106 178	111 409	
Waste water management	19 350	-	12 603	48 000	60 754	60 754	-	59 400	60 000	70 000	
Waste management	784	966	-	-	300	300	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	250 323	246 832	236 688	199 641	199 941	199 941	-	215 800	223 178	247 409
Funded by:											
National Government		190 938	205 511	201 875	189 041	189 341	189 341	-	192 689	208 178	229 409
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	190 938	205 511	201 875	189 041	189 341	189 341	-	192 689	208 178	229 409
Borrowing	6			18 006	-	-	-	-	-	-	-
Internally generated funds		59 385	41 321	16 807	10 600	10 600	10 600	-	23 111	15 000	18 000
Total Capital Funding	7	250 323	246 832	236 688	199 641	199 941	199 941	-	215 800	223 178	247 409

Table A5 is a breakdown of the capital projects in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

The budget allocation for 2020/21 is R215 million. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality.

The capital projects are funded from National capital and provincial grants and transfers and internally generated funds from current year surpluses. These funding sources are further discussed in detail in Overview of Budget Funding

4.6 TABLE 11 STATEMENT OF FINANCIAL POSITION A6

NW371 Moretele - Table A6 Budgeted Financial Position

Description R thousand	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
ASSETS											
Current assets											
Cash		32	0	13 820	11 373	51 183	51 183	51 183	14 599	16 361	15 145
Call investment deposits	1	67 858	17 559	27 508	-	-	-	-	28 339	31 759	29 400
Consumer debtors	1	46 868	15 474	14 098	68 218	68 218	68 218	105 382	183 120	264 434	349 489
Other debtors		24 408	1 677	1 148	-	-	-	-			
Current portion of long-term receivables		4	14	2	-	-	-	-			
Inventory	2	604	1 427	269	-	-	-	-	283	297	312
Total current assets		139 773	36 151	56 846	79 591	119 401	119 401	156 565	226 340	312 850	394 346
Non current assets											
Long-term receivables				-							
Investments				-							
Investment property		5 876	5 717	5 717				5 717	5 717	5 717	5 717
Investment in Associate				-							
Property, plant and equipment	3	983 426	1 094 665	1 132 115	1 112 158	1 340 661	1 340 661	1 287 975	1 457 709	1 632 703	1 930 512
Biological				-							
Intangible		21 930	11 462	22 581		22 581	22 581	22 581	22 581	22 581	22 581
Other non-current assets				-							
Total non current assets		1 011 232	1 111 844	1 160 413	1 112 158	1 363 242	1 363 242	1 316 272	1 486 007	1 661 000	1 958 809
TOTAL ASSETS		1 151 004	1 147 995	1 217 258	1 191 749	1 482 643	1 482 643	1 472 837	1 712 347	1 973 851	2 353 155
LIABILITIES											
Current liabilities											
Bank overdraft	1	3 592	3 672	35	-	-	-	-	-	-	-
Borrowing	4	111 104	44 088	25 274	-	-	-	-	15 029	-	-
Consumer deposits		-	-	-	-	-	-	-	-	-	-
Trade and other payables	4	113 664	173 460	210 442	54 414	50 528	50 528	50 528	43 888	45 774	47 747
Provisions		235	109	126	-	126	126	126	132	139	146
Total current liabilities		228 595	221 329	235 877	54 414	50 654	50 654	50 654	59 050	45 913	47 893
Non current liabilities											
Borrowing		53 716	-	-	-	-	-	-	-	-	-
Provisions		3 128	20 444	37 528	-	39 305	39 305	39 305	23 624	24 805	26 045
Total non current liabilities		56 844	20 444	37 528	-	39 305	39 305	39 305	23 624	24 805	26 045
TOTAL LIABILITIES		285 439	241 773	273 405	54 414	89 958	89 958	89 958	82 674	70 718	73 938
NET ASSETS	5	865 566	906 222	943 854	1 137 334	1 392 685	1 392 685	1 382 879	1 629 674	1 903 132	2 279 217
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		865 566	906 222	943 854	1 137 334	1 392 685	1 392 685	1 382 879	1 629 674	1 903 132	2 279 217
Reserves	4	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	865 566	906 222	943 854	1 137 334	1 392 685	1 392 685	1 382 879	1 629 674	1 903 132	2 279 217

CONSUMER DEBTORS

The pre-audit audit outcome for consumer debtors was calculated taking into consideration the closing balance of the debtors from the Annual Financial Statement (AFS), the current billing and the collection rate. The exercise was done with the intention to correct the 2020/21 to 2022/23 projected consumer debtors.

PROPERTY, PLANT AND EQUIPMENT (PPE)

The pre-audit outcome for PPE was calculated using the cost from the (AFS), current year capital budget and depreciation. This was also done to correct the amount projected for 2020/21 and the two outer years.

4.7 TABLE 12 CASH FLOW STATEMENT A7

NW371 Moretele - Table A7 Budgeted Cash Flows

Description R thousand	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates				-	15 064	15 064	15 064	15 064	19 140	20 021	20 942
Service charges		70 407	82 450	40 098	1 981	1 981	1 981	1 981	22 323	23 350	24 424
Other revenue				2 742	617	617	617	617	1 216	1 272	1 330
Transfers and Subsidies - Operational	1	269 889	236 481	327 184	346 842	346 863	346 863	346 863	370 105	394 000	417 274
Transfers and Subsidies - Capital	1	172 510	222 545	143 711	194 780	194 780	194 780	194 780	198 388	213 246	224 995
Interest		18 681	17 669	7 458	14 311	14 311	14 311	14 311	20 274	21 207	22 182
Dividends				-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(334 297)	(272 553)	(372 599)	(363 060)	(359 264)	(359 264)	(359 264)	(409 972)	(430 176)	(452 168)
Finance charges		(9 277)	(17 709)	(2 278)	(206)	(206)	(206)	(206)	(215)	(225)	(235)
Transfers and Grants	1		-	-	(4 314)	(4 314)	(4 314)	(4 314)	(13 704)	(14 335)	(14 908)
NET CASH FROM/(USED) OPERATING ACTIVITIES		187 912	268 883	146 316	206 014	209 831	209 831	209 831	207 554	228 359	243 834
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		2 466	(3 827)	6 617	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	(51 057)	-	-	-	-	-	-	-	-
Payments											
Capital assets		(186 520)	(140 313)	(121 743)	(199 641)	(199 941)	(199 941)	(199 941)	(215 800)	(223 178)	(247 409)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(184 054)	(195 197)	(115 125)	(199 641)	(199 941)	(199 941)	(199 941)	(215 800)	(223 178)	(247 409)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		(97 957)	(125 253)	(3 785)	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(97 957)	(125 253)	(3 785)	-	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD		(94 099)	(51 567)	27 406	6 373	9 890	9 890	9 890	(8 246)	5 182	(3 574)
Cash/cash equivalents at the year begin:	2	158 396	64 297	13 887	5 000	41 293	41 293	41 293	51 183	42 938	48 119
Cash/cash equivalents at the year end:	2	64 297	12 730	41 293	11 373	51 183	51 183	51 183	42 938	48 119	44 545

Table A7 is a breakdown of the projected cash flows. The revenue collection is projected at 41% which is consistent with the 2018/19 audited outcomes. The collection rate was not reduced due to the Covid-19 pandemic, as the major portion of the collection is mainly from government departments. Payments to suppliers and employees is projected at R 409,9 million which is inclusive of R58,9 million payment for existing debt. The R58,9 million is made up of 41 million trade payables, finance lease of R15 million and R2,8 million for Value Added Tax(VAT). The Auditor General could not place reliance on the Trade payables balance disclosed for the 2018/19 financial year. The Trade payables balance was subsequently qualified. As a result, the municipality embarked on an exercise to clean out the balance and provide supporting documentation for the transactions. The errors in the trade payables were mainly due to payments being made but not recorded in the payables account and accruals not reversed in the following year. The budget for the MTREF for 2020/21 to 2022/23 was based on these revised figures instead of the balances which were qualified because they were incorrect. This has also been supported by the actual trends in the current financial year (2019/20). The projected restatement results are 53,3 million, 45 million and 41 million for the 2018/19, 2019/20 and 2020/21 respectively.

4.8 TABLE 13 CASH BACK RESERVE/ ACCUMULATED SURPLUS RECONCILIATION A8

NW371 Moretele - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description R thousand	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash and investments available											
Cash/cash equivalents at the year end	1	64 297	12 730	41 293	11 373	51 183	51 183	51 183	42 938	48 119	44 545
Other current investments > 90 days		–	1 156	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		64 297	13 887	41 293	11 373	51 183	51 183	51 183	42 938	48 119	44 545
Application of cash and investments											
Unspent conditional transfers		–	–	–	–	2 434	2 434	2 434	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2								–	2 888	2 888
Other working capital requirements	3	77 881	159 837	204 097	42 359	33 150	33 150	26 583	(26 771)	(54 979)	(84 484)
Other provisions									23 624	24 805	26 045
Long term investments committed	4	–	–	–	–	–	–	–			
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		77 881	159 837	204 097	42 359	35 584	35 584	29 017	(259)	(27 286)	(55 551)
Surplus(shortfall)		(13 584)	(145 951)	(162 804)	(30 987)	15 599	15 599	22 166	43 196	75 405	100 096

4.9 TABLE 14 A9 ASSETS MANAGEMENT

NW371 Moretele - Table A9 Asset Management										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22
CAPITAL EXPENDITURE										
Total New Assets	1	250 323	246 832	236 688	199 641	199 941	199 941	197 800	193 178	214 409
Roads Infrastructure		74 447	53 723	62 465	30 000	37 090	37 090	26 000	21 000	21 000
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		1 097	33 274	4 833	14 500	5 150	5 150	11 000	-	-
Water Supply Infrastructure		126 512	133 175	105 785	85 541	80 050	80 050	90 289	106 178	111 409
Sanitation Infrastructure		19 350	15 497	12 603	48 000	60 754	60 754	59 400	60 000	70 000
Solid Waste Infrastructure		784	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		222 190	235 668	185 686	178 041	183 044	183 044	186 689	187 178	202 409
Community Facilities		-	-	-	-	-	-	6 186	6 000	12 000
Sport and Recreation Facilities		-	-	16 189	11 000	5 997	5 997	154	-	-
Community Assets		-	-	16 189	11 000	5 997	5 997	6 340	6 000	12 000
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		16 181	2 712	16 189	10 600	10 600	10 600	-	-	-
Housing		-	-	-	-	-	-	375	-	-
Other Assets		16 181	2 712	16 189	10 600	10 600	10 600	375	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	257	18 006	-	-	-	-	-	-
Furniture and Office Equipment		-	656	618	-	300	300	1 596	-	-
Machinery and Equipment		11 952	-	-	-	-	-	-	-	-
Transport Assets		-	7 538	-	-	-	-	2 800	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	-	-	-	18 000	30 000	33 000
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	15 000	15 000
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	15 000	15 000
Community Facilities		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	18 000	15 000	18 000
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	18 000	15 000	18 000
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	250 323	246 832	236 688	199 641	199 941	199 941	215 800	223 178	247 409
Roads Infrastructure		74 447	53 723	62 465	30 000	37 090	37 090	26 000	21 000	21 000
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		1 097	33 274	4 833	14 500	5 150	5 150	11 000	15 000	15 000
Water Supply Infrastructure		126 512	133 175	105 785	85 541	80 050	80 050	90 289	106 178	111 409
Sanitation Infrastructure		19 350	15 497	12 603	48 000	60 754	60 754	59 400	60 000	70 000
Solid Waste Infrastructure		784	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		222 190	235 668	185 686	178 041	183 044	183 044	186 689	202 178	217 409
Community Facilities		-	-	-	-	-	-	6 186	6 000	12 000
Sport and Recreation Facilities		-	-	16 189	11 000	5 997	5 997	154	-	-
Community Assets		-	-	16 189	11 000	5 997	5 997	6 340	6 000	12 000
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		16 181	2 712	16 189	10 600	10 600	10 600	18 000	15 000	18 000
Housing		-	-	-	-	-	-	375	-	-
Other Assets		16 181	2 712	16 189	10 600	10 600	10 600	18 375	15 000	18 000
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	257	18 006	-	-	-	-	-	-
Furniture and Office Equipment		-	656	618	-	300	300	1 596	-	-
Machinery and Equipment		11 952	-	-	-	-	-	-	-	-
Transport Assets		-	7 538	-	-	-	-	2 800	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		250 323	246 832	236 688	199 641	199 941	199 941	215 800	223 178	247 409

NW371 Moretele - Table A9 Asset Management											
R thousand	Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
ASSET REGISTER SUMMARY - PPE (WDV)	5	1 011 232	1 141 263	1 160 413	1 112 158	1 358 464	1 316 272	1 486 007	1 661 000	1 958 809	
Roads Infrastructure		312 604	463 755	356 648	355 560	344 705	344 705	370 705	391 705	412 705	
Storm water Infrastructure											
Electrical Infrastructure		157 274	4 955	28 769	52 269	38 314	38 314	49 314	64 314	79 314	
Water Supply Infrastructure		315 729	331 120	411 961	447 314	488 335	446 143	504 213	562 207	724 016	
Sanitation Infrastructure		3 498	5 062	5 062	44 000	92 000	92 000	151 400	211 400	281 400	
Solid Waste Infrastructure					1 750	1 750	1 750	1 750	1 750	1 750	
Rail Infrastructure											
Coastal Infrastructure											
Information and Communication Infrastructure		784	29 419								
Infrastructure		789 889	834 310	802 439	900 893	965 104	922 912	1 077 382	1 231 375	1 499 185	
Community Assets				101 891	136 879	136 052	158 017	158 017	164 202	170 202	182 202
Heritage Assets				-			-	-			
Investment properties		5 876	5 717	5 717	5 717	5 717	5 717	5 717	5 717	5 717	5 717
Other Assets		193 537	187 883	192 797							
Biological or Cultivated Assets				-	10 965	-	-				
Intangible Assets		21 930	11 462	22 581		22 581	22 581	22 581	22 581	22 581	22 581
Computer Equipment		-	-	-		38 085	38 085	38 085	38 085	38 085	38 085
Furniture and Office Equipment						4 851	4 851	4 002	4 002	4 002	4 002
Machinery and Equipment						1 147	1 147	874	874	874	874
Transport Assets						-	13 846	13 846	16 646	16 646	16 646
Land						-	58 531	149 117	149 117	156 517	171 517
Zoo's, Marine and Non-biological Animals							-	-			189 517
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1 011 232	1 141 263	1 160 413	1 112 158	1 358 464	1 316 272	1 486 007	1 661 000	1 958 809	
EXPENDITURE OTHER ITEMS		90 544	129 370	85 713	62 977	62 777	62 777	59 474	62 209	65 071	
Depreciation	7	64 829	90 134	85 713	44 081	44 081	44 081	46 065	48 184	50 401	
Repairs and Maintenance by Asset Class	3	25 716	39 236	-	18 895	18 695	18 695	13 409	14 025	14 670	
Roads Infrastructure		112	-	-	224	224	224	234	245	256	
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	
Electrical Infrastructure		15 727	-	-	2 450	2 450	2 450	250	262	274	
Water Supply Infrastructure		7 236	31 191	-	6 508	6 508	6 508	6 801	7 113	7 441	
Sanitation Infrastructure		180	5 487	-	6 502	6 502	6 502	2 000	2 092	2 188	
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	
Rail Infrastructure		-	-	-	-	-	-	-	-	-	
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	
Infrastructure		23 255	36 679	-	15 685	15 685	15 685	9 285	9 712	10 159	
Community Facilities		-	-	-	-	-	-	600	628	656	
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	
Community Assets		-	-	-	-	-	-	600	628	656	
Heritage Assets		-	-	-	-	-	-	-	-	-	
Revenue Generating		-	-	-	-	-	-	-	-	-	
Non-revenue Generating		-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	
Operational Buildings		1 306	1 524	-	1 496	1 296	1 296	1 556	1 627	1 702	
Housing		-	-	-	-	-	-	-	-	-	
Other Assets		1 306	1 524	-	1 496	1 296	1 296	1 556	1 627	1 702	
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	
Servitudes		-	-	-	-	-	-	-	-	-	
Licences and Rights		-	-	-	-	-	-	-	-	-	
Intangible Assets		-	-	-	-	-	-	-	-	-	
Computer Equipment		-	-	-	25	25	25	-	-	-	
Furniture and Office Equipment		16	16	-	33	33	33	34	35	37	
Machinery and Equipment		-	-	-	21	21	21	150	157	164	
Transport Assets		1 139	1 018	-	1 635	1 635	1 635	1 784	1 866	1 952	
Land		-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	
TOTAL EXPENDITURE OTHER ITEMS		90 544	129 370	85 713	62 977	62 777	62 777	59 474	62 209	65 071	
Renewal and upgrading of Existing Assets as % of total capex		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.3%	13.4%	13.3%	
Renewal and upgrading of Existing Assets as % of deprecn		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	39.1%	62.3%	65.5%	
R&M as a % of PPE		2.6%	3.6%	0.0%	1.7%	1.4%	1.4%	0.9%	0.9%	0.8%	
Renewal and upgrading and R&M as a % of PPE		3.0%	3.0%	0.0%	2.0%	1.0%	1.0%	2.0%	3.0%	2.0%	

Table 15 A10 Basic Service Delivery Measurements

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<u>Household service targets</u>	1									
<u>Water:</u>										
Piped water inside dwelling		-	-	-	25	25	25	25	25	25
Piped water inside yard (but not in dwelling)		-	-	-	16 844	16 844	16 844	20 543	20 543	20 543
Using public tap (at least min.service level)	2	-	-	-	9 020	9 020	9 020	9 020	9 020	9 020
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		-	-	-	25 889	25 889	25 889	29 588	29 588	29 588
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	26 174	26 174	26 174	26 174	26 174	26 174
No water supply		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	26 174	26 174	26 174	26 174	26 174	26 174
Total number of households	5	-	-	-	52 063	52 063	52 063	55 762	55 762	55 762
<u>Households receiving Free Basic Service</u>	7									
Water (6 kilolitres per household per month)		-	-	-	25 071	25 071	25 071	28 000	28 000	28 000
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	28 000	28 000	28 000
<u>Cost of Free Basic Services provided - Formal Settlement</u>	8									
Water (6 kilolitres per indigent household per month)		-	-	-	15 000	15 000	15 000	11 700	12 238	12 801
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	11 012	11 012	11 012	7 728	8 083	8 455
<u>Cost of Free Basic Services provided - Informal Formal Settlements</u>		-	-	-	-	-	-	-	-	-
Total cost of FBS provided		-	-	-	26 013	26 013	26 013	19 428	20 322	21 256
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		-	-	-	401	401	401	686	718	751
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of subsidised services provided		-	-	-	401	401	401	686	718	751

5. OVERVIEW OF ANNUAL BUDGET PROCESS

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Portfolio Committee for Budget and Treasury

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the budget, considering the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2017) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on August 2019

Key dates applicable to the process were:

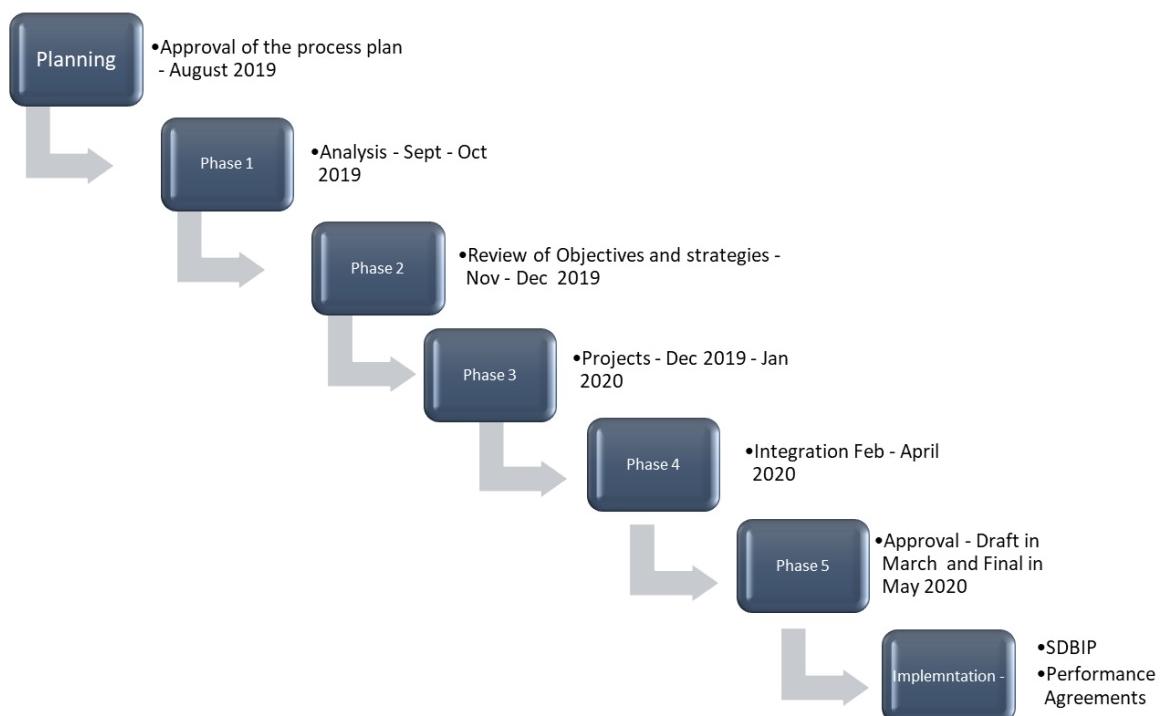
IDP PROCESS PLAN

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.



IDP AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

This is the third review of the IDP as adopted by Council in May 2017. It started in August 2019 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2020/21 MTREF.



The Council's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to this cycle included the following key IDP processes and deliverables:

- **Registration of community needs;**
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and

The IDP has been taken into a business and financial planning process leading up to the 2020/21 MTREF, based on the approved 2019/20 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2020/21 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2019/20 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

Financial Modelling and Key Planning Drivers

As part of the compilation of the 2020/21 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2020/21 MTREF:

- Council's growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, and household debt)
- Performance trends
- The approved 2019/20 adjustments budget and performance against the SDBIP
- Cash Flow Management
 - Debtor payment levels

- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

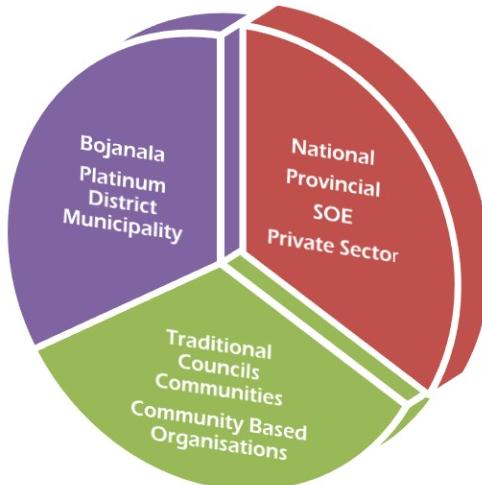
In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 98 has been taken into consideration in the planning and prioritisation process.

Community Consultation

The Final 2020/21 MTREF will be tabled before Council on 31 March 2020 for community consultation was published on the municipality's website, and hard copies were made available at ward offices, municipal notice boards and various libraries

- After the approval by Council. A notice will be placed on one of the national newspapers inviting comments from interested stakeholders
- An IDP Representative Forum was convened in April 2020 with a view of inviting comments on the Final IDP and Budget.

All documents in the appropriate format (electronic and printed) will be provided to National and Provincial Treasuries, in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs. Wards and organized structures were utilised to facilitate the community consultation process during April 2020.



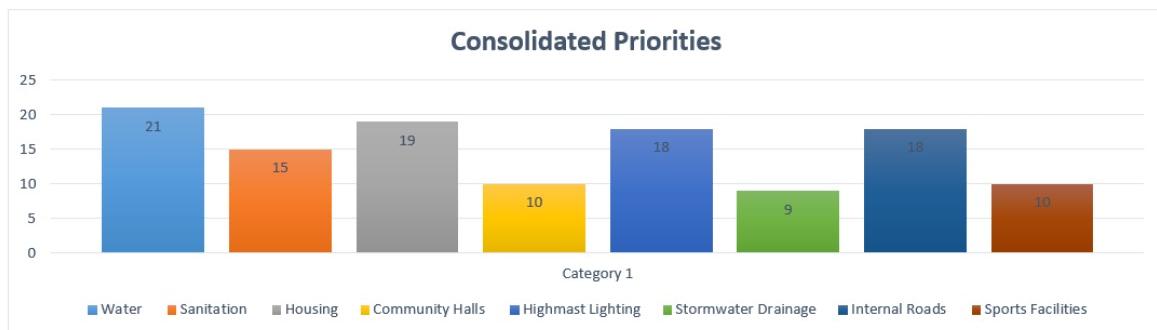
Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the finalisation of the 2020/21 MTREF.

The following are some of the issues and concerns raised as well as comments received during the consultation process:

- Several complaints were received regarding poor service delivery, especially waste removal backlogs and the state of road infrastructure;
- Poor performance of contractors relating to infrastructure development and maintenance especially in the areas of road construction and maintenance were raised;
- Insufficient budget for roads and high mast lights
- During the community consultation process large sections of the community made it clear that they are not in favor of any further tariff increases to fund additional budget requests. They indicated that the municipality must do more to ensure efficiencies and value for money.

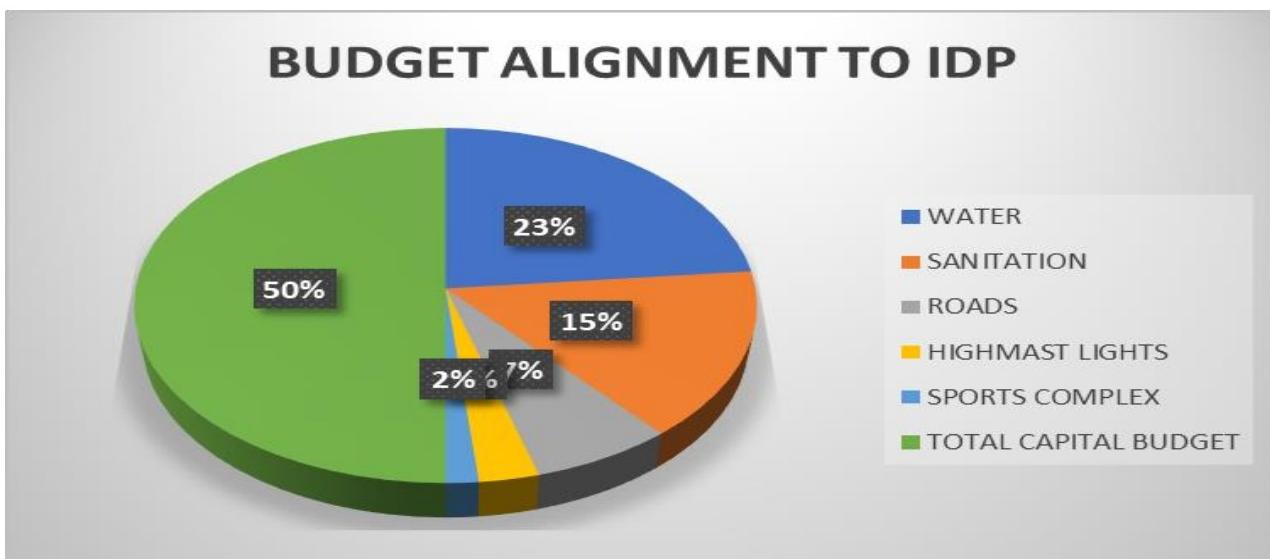
NEEDS ANALYSIS 2020/2021

Development Priorities 2020/2021



New Municipal Development Priorities

1. Water
2. Housing (outside of municipal mandate)
3. High-mast Lighting
4. Internal Roads
5. Sanitation |
6. Sports Facilities
7. Storm-water Drainage



The budget is correctly aligned to the IDP based on the percentage distribution versus percentage of backlog in the municipal plans.

WATER	90 288 600,00	47%
SANITATION	59400000	31%
ROADS	26000000	13%
HIGHMAST LIGHTS	11000000	6%
SPORTS COMPLEX	6000000	3%
TOTAL CAPITAL BUDGET	192 688 600,00	

There were no significant changes effected in the final 2019/20 MTREF compared to the Final 2020/21 MTREF that was tabled for community consultation, include:

- Internally funded projects were increased with R 18 million;
- A maintenance truck has been budgeted for, to the value of R 2,8 million.
- Steel cabinets for Record keeping and Council recording system has been budgeted for, to the value of R1.9 million.

6. OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five-year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to Moretele, issues of national and provincial importance should be reflected in the IDP of the

municipality. A clear understanding of such intent is therefore imperative to ensure that the municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2019/20 MTREF and further planning refinements that have directly informed the compilation of the budget.

Table 1 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

NW371 Moretele - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective R thousand	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
Financial Viability	Service Charges			89 430	93 737	96 914	84 862	84 862	84 862	101 129	105 781	110 647	
Financial Viability	Rental Facility			84	94	229	124	124	124	130	136	142	
Financial Viability	Interest			18 681	17 260	7 458	26 726	26 726	26 726	27 928	29 213	30 557	
Financial Viability	Operational Grants			271 441	289 187	310 803	346 842	346 863	346 863	370 105	394 000	417 274	
Financial Viability	Capital Grants			143 529	205 511	160 092	194 780	194 780	194 780	198 388	213 246	224 995	
Financial Viability	Other Revenue by source			44 043	798	2 873	2 544	2 544	2 544	363	379	397	
Financial Viability	Profit on disposal of PPE			664	—	—				723	756	791	
Financial Viability	Fine and Penalties			—	814	692							
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	567 873	607 400	579 062	655 878	655 899	655 899	698 766	743 512	784 803

The table below demonstrates alignment of the budget to the IDP.

Project name (list of projects which will be implemented for the 2019/20 FY including the PMU admin fees)	Project Category (e.g. water/sanitation/road etc.)	Construction end date	Total 2020/21 (WSIG)	Total 2018/19	Total 2020/21 (MIG)	2020/21 (INTERNAL)	2020/21 (STATUS)
				Total expenditure	Total amount projected		
WATER							
Motla Water Supply	Water				6 400 000		Registration
Ward 5 (Ga-Habedi, Flikzynlydrift, Seutelong) Water supply Phase 2	Water				26 088 600		Design stage
Ward 7 (Legagameng, Block C, Mmotong, Swardam, Rabosula, Norokie, Rantlapane) yard connections	Water				2 800 000		Registration
Ward 2 (Olverton, Voenteen, Swartboom, Utsane, Tlounane) Water Supply	Water		35 175 000,00				Design stage
WCMD 13, 14, 15, 16, 17, 18, 22 continuation	Water		17 825 000,00				Construction stage
Refurbishment of boreholes in various wards	Water		2 000 000,00				SP appointed

SANITATION							
Basic Sanitation in ward 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17, 20, 22, 23 & 25	Sanitation		29 400 000				SP appointed
Ward 1 (Little & Bolantlokwé) Basic Sanitation	Sanitation				6 000 000		Approved
Ward 18 (Mathibestad) Basic Sanitation	Sanitation				4 000 000		Approved
Ward 19 (Mathibestad) Basic Sanitation	Sanitation				6 000 000		Approved
Ward 23 (Kromkull) Basic Sanitation Phase	Sanitation				6 000 000		Approved
Ward 24 (Mathibestad) Basic Sanitation	Sanitation				4 000 000		Approved
Ward 26 (Ratjiepane) Basic Sanitation	Sanitation				4 000 000		Approved

ROADS							
Upgrading of an Internal road in Ward 2 (Olverton)	Roads & Stormwater				11 000 000		Design stage
Upgrading of Internal road in Ward 3 (Cyferskuil)	Roads & Stormwater				15 000 000		Design stage

Medium Term Revenue and Expenditure Framework (MTREF) Budget for 2020/21, 2021/22 and 2022/23 FY

CAPITAL BUDGET 2020/21				
DESCRIPTION	MIG	DWS	INTERNAL FUNDING	TOTAL BUDGET 2020/21
SPORTS FACILITIES/COMMUNITY FACILITIES				
Construction of Sports Complex in Lebotlhwane	6 000 000			6 000 000
Municipal Office Building			18,000,000	18 000 000

HIGH MAST LIGHTS					
Construction of High Mast Lights in Ward 13	High Mast Lights			5,500,000	Approved
Construction of High Mast Lights in ward 20	High Mast Lights			5,500,000	Approved
	BUILDING				
Municipal Office Building	Building			18,000,000	
Management Fees				5,700,000.00	
		84,400,000.00		113,988,600.00	18,000,000.00

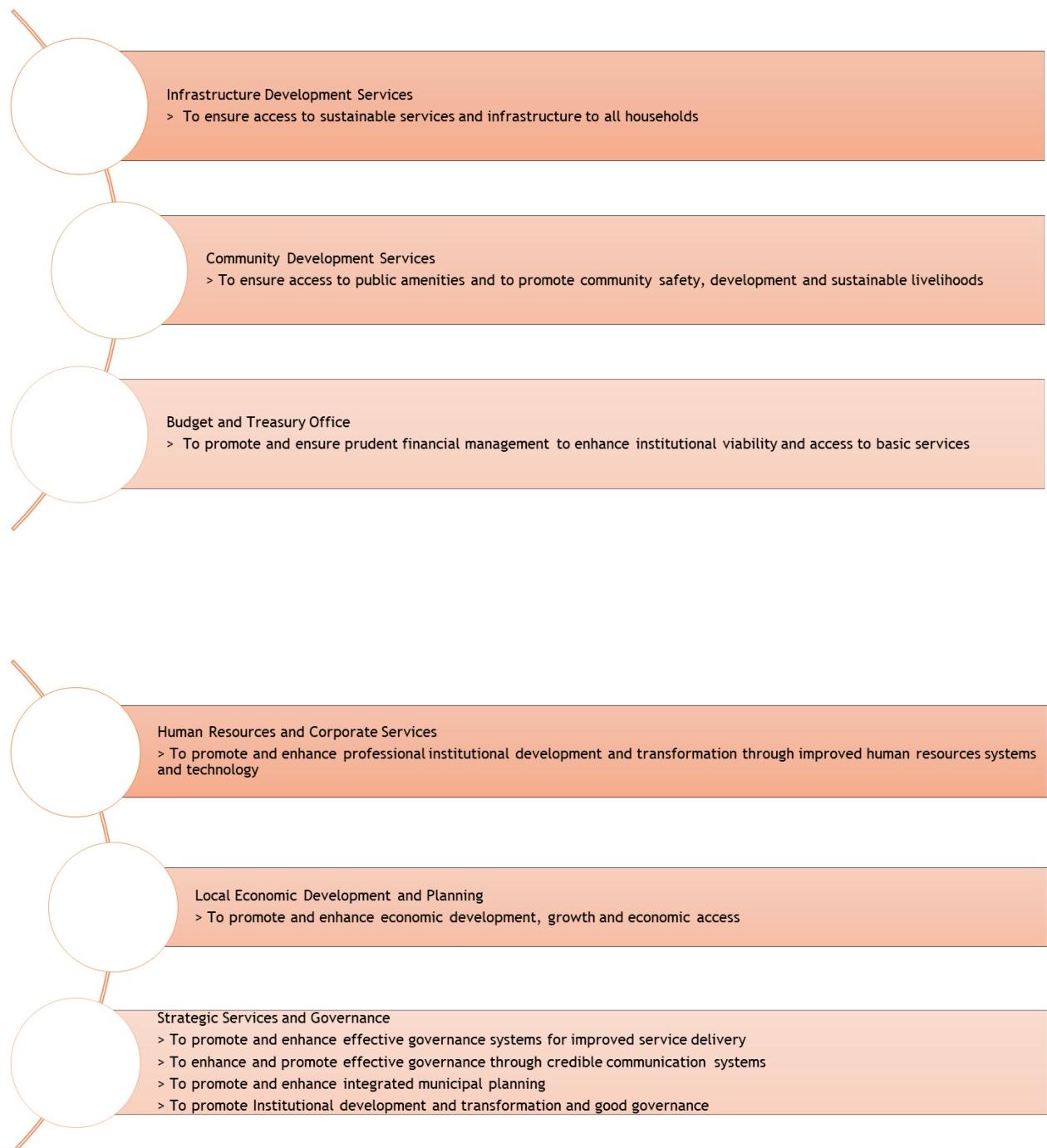
2020/2021 Capital Budget

The total capital budget for 2020/21 amount to R192,6 million excluding 5% MIG allocation for PMU and it is funded by MIG R108 million or 56% of the total capital budget, WSIG R84 million or 44% of the total capital budget and internal funding R18 million.

The total capital budget will be apportioned to cater the following functions;

WATER	90 288 600,00	47%
SANITATION	59400000	31%
ROADS	26000000	13%
HIGHMAST LIGHTS	11000000	6%
SPORTS COMPLEX	6000000	3%
TOTAL CAPITAL BUDGET	192 688 600,00	

Table 2 IDP Strategic Objectives



MBRR Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly departmental implementation plans.

Planning, budgeting and reporting cycle

The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. Municipality has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the City in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury.

7. MEASUREABLE PERFORMANCE OBJECTIVES AND INDICATORS

Table 3 MBRR Table SA8 - Performance indicators and benchmarks

NW371 Moretele - Supporting Table SA8 Performance indicators and benchmarks										2020/21 Medium Term Revenue & Expenditure Framework		
Description of financial indicator	Basis of calculation	2016/17	2017/18	2018/19	Current Year 2019/20				Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
		Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome					
Borrowing Management												
Credit Rating												
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	24.8%	27.3%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	75.5%	131.0%	6.1%	0.2%	0.2%	0.2%	0.0%	0.2%	0.2%	0.2%	
Borrowed funding of own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Safety of Capital												
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Liquidity												
Current Ratio	Current assets/current liabilities	0.6	0.2	0.2	1.5	2.4	2.4	-	2.9	3.4	3.8	
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.6	0.2	0.2	1.5	2.4	2.4	-	2.9	3.4	3.8	
Liquidity Ratio	Monetary Assets/Current Liabilities	0.3	0.1	0.2	0.2	1.0	1.0	-	1.6	2.1	2.5	
Revenue Management												
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		78.7%	88.6%	41.4%	20.1%	20.1%	20.1%	0.0%	47.0%	47.0%	
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		78.7%	88.6%	41.4%	20.1%	20.1%	20.1%	0.0%	47.0%	47.0%	47.0%	
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	16.8%	4.3%	3.6%	14.8%	14.8%	14.8%	0.0%	10.7%	10.6%	10.5%	
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old											
Creditors Management												
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))											
Creditors to Cash and Investments		176.8%	1362.6%	509.6%	478.5%	88.3%	88.3%	0.0%	64.1%	47.0%	40.3%	
Other Indicators												
Electricity Distribution Losses (2)	Total Volume Losses (kW)											
	Total Cost of Losses (Rand '000)											
	% Volume (units purchased and generated less units sold)/units purchased and generated											
Water Distribution Losses (2)	Total Volume Losses (kL)											
	Total Cost of Losses (Rand '000)											
	% Volume (units purchased and generated less units sold)/units purchased and generated											
Employee costs	Employee costs/(Total Revenue - capital revenue)	21.2%	27.2%	26.6%	31.0%	31.0%	31.0%	0.0%	28.4%	28.5%	28.6%	
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6.1%	9.8%	0.0%	4.1%	4.1%	4.1%		2.7%	2.6%	2.6%	
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	19.4%	28.0%	21.1%	9.6%	9.6%	9.6%	0.0%	9.2%	9.1%	9.0%	
IDP regulation financial viability indicators												
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	1.1	10.0	7.6	8.0	8.0	8.0	-	7.2	7.2	7.5	
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	79.6%	18.4%	15.7%	80.3%	80.3%	80.3%	0.0%	52.9%	52.9%	52.9%	
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.5	0.5	1.2	0.4	1.8	1.8	-	2.0	2.7	3.1	

1. *BORROWING MANAGEMENT*

Capital expenditure in local government can be funded by capital grants, own-source revenue and long-term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position.

2. *REVENUE MANAGEMENT*

As part of the financial sustainability strategy, enhance revenue management strategy has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears more than 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

3. *OTHER INDICATORS*

The water distribution losses have been managed but not to the satisfaction of the municipality.

II.FREE BASIC SERVICES: BASIC SOCIAL SERVICES PACKAGE FOR INDIGENT HOUSEHOLDS

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality.

III.PROVIDING CLEAN WATER AND MANAGING WASTEWATER

Municipality is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider.

8. OVERVIEW OF BUDGET-RELATED-POLICIES

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

8.1 Review of Credit Control and Indigent-Related Procedures or Policies

The Credit Control and Debt Collection Policy was not reviewed for the 2020/21 financial year. The approved policy is in line with section 97(1) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) which requires that a credit control and debt collection policy must provide credit control procedures and instructions as well as debt control procedures and mechanisms. It must also make provision for indigent debt that is consistent with its rates and tariff policies and any national indigent policy. There were no material amendments to these policies.

The Municipality approved the Indigent Policy and credit control policy can be found on www.moretele.gov.za

8.2 Municipal Property Rates Policy

The property rates policy is reviewed annually during the tabling of the budget.

The Municipality Rates policy can be found on www.moretele.gov.za

8.3 Asset Management policy

Section 78(1) of the MFMA requires that the assets and liabilities of the municipality must be managed effectively and that assets must be safeguarded and maintained to the extent necessary. The previously approved asset management policy only included management of immovable asset. The policy has been amended to include the management of movable assets.

The Municipality asset management policy can be found on www.moretele.gov.za

8.4 Supply Chain Management Policy

The Supply Chain Management Policy was reviewed in accordance with the municipal Supply chain regulations. The supply chain management has been amended to align with the PPPFA. New insertions into the policy relates to the use of contracts acquired by another organ of state. This insertion is aligned to the 2019 MFMA circular provided in this regard.

The Municipality Supply Chain management policy can be found on www.moretele.gov.za

8.5 Budget Policy

The Budget Policy, which includes the Fund Transfer Policy, aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipality's system of delegations.

The policy has been amended in line with MSCOA requirements. The policy can be found on www.moretele.gov.za

8.6 Cash Management and Investment Policy

The Municipality's cash management and investment policy was amended to align with the municipal investment regulations.

The Municipality cash management and investment policy can be found on www.moretele.gov.za

8.7 Tariff policies

The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) requires municipalities to adopt and implement a tariff policy. The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that

also promote sustainable service delivery, and it allows for cross-subsidisation between consumer categories. The policy can be found on www.moretele.gov.za

8.8 Payables policy (New)

A new policy seeking to address payables and creditors has been developed to ensure that the municipality is able to adhere to the 30 days payment of creditors and to comply with SARS related matters.

The Municipality cash management and investment policy can be found on www.moretele.gov.za

8.9 UIFW (New)

The municipality developed a UIFW policy to limit contravention of the SCM policies and provide a guideline in terms of processing of such breaches.

The Municipality cash management and investment policy can be found on www.moretele.gov.za

9. MTREF BUDGET ASSUMPTIONS 2020/21

The following macro-economic forecasts which were recommended in preparing the 2020/21 MTREF municipal budgets, and 2.25% CPI was applied in the 2020/21 financial year.

Fiscal year	2020/21	2021/2022	2022/2023
		FORECAST	FORECAST
Consumer Price Inflation (CPI)	4.5%	4.6%	4.6%
Real GDP growth	1.2%	Not provided	Not provided

The following Budget assumptions where used:

- 2020/21 Financial Year employee's annual increment provision was still placed at 6.25% however the municipality's cost reprioritization and cash management strategy vacancies have been significantly rationalized downwards and only key position will be appointed in accordance with the Lekgotla resolutions, this resulted in the freezing of 37 positions off the organogram.
- Bulk purchase is increased with 4% after the initial spiraling of the CoT account with more than 17% in the previous year. This was due to the increase in supply from City of Tshwane.

KEY FACTORS WHICH INFLUENCED THE 2020/21 BUDGET ARE AS FOLLOWS:

National Treasury MFMA Budget's Circulars 98 was used to guide the compilation of the municipality's budget and medium-term revenue and expenditure framework (MTREF) for the 2020/21 financial year.

MFMA Circular No 98 Municipal Budget Circular for the 2020/21 MTREF provided that the ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2020/21 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Paying special attention to cost containment measures by, amongst other things, controlling unnecessary spending on nice-to-have items and non-essential activities;
- The affordability of providing free basic services to all households; and
- Curbing consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

REVENUE BUDGET

- maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality-
- pay careful attention to the differential incidence of tariff increases across all consumer groups.

COLLECTION RATE FOR REVENUE SERVICES

The base assumption is that tariff and rating should not increase beyond the CPI. Therefore, the increase has been curbed to the recommendations as per circular 98.

The performance of arrear collections is considered as a source of additional cash in-flow once the performance has been carefully monitored.

IMPACT OF NATIONAL, PROVINCIAL AND LOCAL POLICIES

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and, in this regard, various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

ABILITY OF THE MUNICIPALITY TO SPEND AND DELIVER ON THE PROGRAMMES

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 98 per cent on the capital programme for the 2020/21 MTREF of which performance has been factored into the cash flow budget.

10.OVERVIEW OF BUDGET FUNDING

The operational budget is mainly funded by the Equitable Share which accounts for a higher percentage of the grants received. The own revenue has been conservatively increased in accordance with circular 98, reducing the CPI to 2.25%. The consideration for the collection rate has also been considered. The collection rate remains below 30% on outstanding debt and is at 48% against current billing.

The rural nature of the municipality must be reflected through the indigent support for the poor. The projected increase in indigent subsidies has also been taken into consideration. The indigent management policy has been revised to consider the deemed method of verification.

The proposed tariffs for the 2020/21 financial year are within reasonable limits. The tariffs consider the property rates levy which are approved in terms of the MPRA. There has been no increase in the land tax for 2020/21, except the water services.

The municipality disposing assets in the 2019/20 and therefore there are expected proceeds from sales of assets.

The municipality is planning on borrowing for capital projects which is the incomplete municipal offices.

Medium Term Revenue and Expenditure Framework (MTREF) Budget for 2020/21, 2021/22 and 2022/23 FY

NW371 Moretele - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Ref 1	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed interest rate	Interest Rate ^a	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal(4)	Investment Top Up	Closing Balance
Parent municipality														
Nedbank			Fixed	Yes		6			90 days		3 660		125 195	128 855
Nedbank			Fixed	Yes		6			30 days		9 264		39 102	48 366
Nedbank			Fixed	Yes		6			30 days		2 031		27 440	29 471
Municipality sub-total													191 737	206 692
Entities														
Entities sub-total														
TOTAL INVESTMENTS AND INTEREST	1									-		-	-	-
										-		-	-	-
										-		-	191 737	206 692

12. EXPENDITURE ON ALLOCATIONS AND GRANTS PROGRAMMES

NW371 Moretele - Supporting Table SA19 Expenditure on transfers and grant programme

Description R thousand	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
EXPENDITURE:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:										
Local Government Equitable Share		269 943	288 280	310 708	346 012	346 012	346 012	369 207	393 061	416 291
EPWP Incentive		263 905	284 591	306 721	340 474	340 474	340 474	363 948	390 061	413 191
Finance Management		4 228	1 544	1 772	2 858	2 858	2 858	2 259	-	-
		1 810	2 145	2 215	2 680	2 680	2 680	3 000	3 000	3 100
Provincial Government:										
Sport and Recreation		1 005	1 222	598	830	851	851	898	939	983
		1 005	1 222	598	830	851	851	898	939	983
District Municipality:										
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:										
[insert description]		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		270 948	289 502	311 306	346 842	346 863	346 863	370 105	394 000	417 274
<u>Capital expenditure of Transfers and Grants</u>										
National Government:										
Municipal Infrastructure Grant (MIG)		153 119	204 289	141 484	194 780	194 780	194 780	198 388	213 246	224 995
		108 024	159 816	82 886	114 780	114 780	114 780	113 988	124 204	131 679
Water Service Infrastructure Grant WSIG		45 095	44 474	58 598	80 000	80 000	80 000	84 400	89 042	93 316
Provincial Government:										
Other capital transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:										
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:										
[insert description]		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		153 119	204 289	141 484	194 780	194 780	194 780	198 388	213 246	224 995
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		424 067	493 791	452 790	541 622	541 643	541 643	568 493	607 246	642 269

13. ALLOCATIONS OR GRANTS MADE BY THE MUNICIPALITY

Not applicable -The municipality does not allocate grants

14 COUNCILLORS ALLOWANCE AND EMPLOYEES BENEFITS

NW371 Moretele - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Councillors (Political Office Bearers plus Other)	1	A	B	C	D	E	F	G	H	I
Basic Salaries and Wages		16 809	18 810	19 337	13 078	13 078	13 078	14 522	15 393	16 316
Pension and UIF Contributions				-	2 308	2 308	2 308	2 308	2 446	2 593
Medical Aid Contributions				-				-	-	-
Motor Vehicle Allowance				-	5 129	5 129	5 129	5 154	5 463	5 791
Cellphone Allowance				-	2 264	2 264	2 264	2 377	2 520	2 671
Housing Allowances				-				-	-	-
Other benefits and allowances				-	200	200	200	-	-	-
Sub Total - Councillors		16 809	18 810	19 337	22 978	22 978	22 978	24 360	25 821	27 371
% increase	4		11.9%	2.8%	18.8%	-	-	6.0%	6.0%	6.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Other Municipal Staff										
Basic Salaries and Wages		57 384	67 732	111 436	85 867	93 576	93 576	109 973	116 846	124 149
Pension and UIF Contributions		8 373	11 470	-	14 270	14 270	14 270	488	518	551
Medical Aid Contributions		4 648	5 229	-	10 218	10 218	10 218	10 571	11 231	11 933
Overtime		2 069	2 642	-	2 025	2 025	2 025	-	-	-
Performance Bonus		3 068	4 782	-	7 709	-	-	7 776	8 262	8 368
Motor Vehicle Allowance	3	10 043	11 111	-	10 318	10 318	10 318	10 878	11 557	12 280
Cellphone Allowance	3	-	-	-	1 426	1 426	1 426	-	-	-
Housing Allowances	3	279	316	-	2 755	2 755	2 755	2 602	2 764	2 937
Other benefits and allowances	3	715	1 263	-	1 153	1 153	1 153	-	-	-
Payments in lieu of leave		2 955	115	-	-	-	-	-	-	-
Long service awards		330	474	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		89 864	105 135	111 436	135 741	135 741	135 741	142 287	151 179	160 218
% increase	4		17.0%	6.0%	21.8%	-	-	4.8%	6.2%	6.0%
Total Parent Municipality		106 673	123 945	130 773	158 719	158 719	158 719	166 647	177 001	187 589
			16.2%	5.5%	21.4%	-	-	5.0%	6.2%	6.0%

NW371 Moretele - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2018/19			Current Year 2019/20			Budget Year 2020/21				
		Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities												
Councillors (Political Office Bearers plus Other Councillors)						52	52	52	52	52	52	52
Board Members of municipal entities	4											
Municipal employees	5											
Municipal Manager and Senior Managers	3						15	15	15	11	11	11
Other Managers	7						38	38	38	33	33	33
Professionals				8	14	-	14	-	-	4	-	4
Finance				8	8							
Spatial/town planning												
Information Technology						1						
Roads												
Electricity												
Water												
Sanitation												
Refuse												
Other				5			5		5	4		4
Technicians				118	92	26	118	92	26	226	212	14
Finance				12	11	1	64	59	5	49	44	5
Spatial/town planning							3		3	2	2	
Information Technology												
Roads				6	2	4	15	15		13	13	-
Electricity										1	1	
Water				14	3	11	25	25		23	23	-
Sanitation												
Refuse												
Other				86	76	10	134	134	-	138	129	9
Clerks (Clerical and administrative)				24	24							
Service and sales workers												
Skilled agricultural and fishery workers												
Craft and related trades												
Plant and Machine Operators				9	9					-	-	
Elementary Occupations				112	112					-	-	
TOTAL PERSONNEL NUMBERS	9			271	251	78	351	271	80	326	245	81
% increase							29.5%	8.0%	2.6%	(7.1%)	(9.6%)	1.3%
Total municipal employees headcount	6, 10											
Finance personnel headcount	8, 10											
Human Resources personnel headcount	8, 10											

15.MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

NW371 Moretele - Supporting Table SA30 Budgeted monthly cash flow													Medium Term Revenue and Expenditure Framework				
MONTHLY CASH FLOWS	Budget Year 2020/21												Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23		
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June				
Cash Receipts By Source														1			
Property rates	1 595	1 595	1 595	1 595	1 595	1 595	1 595	1 595	1 595	1 595	1 595	1 595	1 595	19 140	20 021	20 942	
Service charges - electricity revenue																	
Service charg	1 073	1 073	1 073	1 073	1 073	1 073	1 073	1 073	1 073	1 073	1 073	1 073	1 073	12 871	13 463	14 083	
Service charg	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charg	788	788	788	788	788	788	788	788	788	788	788	788	788	9 452	9 886	10 341	
Rental of facil	11	11	11	11	11	11	11	11	11	11	11	11	11	1130	136	142	
Interest earne	1 246	1 246	1 246	1 246	1 246	1 246	1 246	1 246	1 246	1 246	1 246	1 246	1 246	14 955	15 643	16 362	
Interest earne	443	443	443	443	443	443	443	443	443	443	443	443	443	5 319	5 564	5 820	
Dividends rec	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penal	60	60	60	60	60	60	60	60	60	60	60	60	60	723	756	791	
Licences and	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Agency serv	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and	123 368	-	-	-	-	123 368	-	-	123 368	-	-	-	-	370 105	394 000	417 274	
Other revenu	30	30	30	30	30	30	30	30	30	30	30	30	30	363	379	397	
Cash Receipts	128 614	5 246	5 246	5 246	5 246	128 614	5 246	5 246	128 614	5 246	5 246	5 246	5 246	433 058	459 849	486 151	
Other Cash Flows by Source																	
Transfers and																	
subsidies - capital																	
(monetary allocations)	66 129	-	-	-	-	66 129	-	-	66 129	-	-	-	-	198 388	213 246	224 995	
Short term loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowing lon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Increase (dec	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (inc	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (inc	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cash Rec	194 744	5 246	5 246	5 246	5 246	194 744	5 246	5 246	194 744	5 246	5 246	5 246	5 246	631 446	673 095	711 146	
Cash Payments by Type																	
Employee rel	11 857	11 857	11 857	11 857	11 857	11 857	11 857	11 857	11 857	11 857	11 857	11 857	11 857	142 287	151 179	160 218	
Remuneration	2 030	2 030	2 030	2 030	2 030	2 030	2 030	2 030	2 030	2 030	2 030	2 030	2 030	24 360	25 821	27 371	
Finance charg	18	18	18	18	18	18	18	18	18	18	18	18	18	215	225	235	
Bulk purchase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bulk purchase	3 796	3 796	3 796	3 796	3 796	3 796	3 796	3 796	3 796	3 796	3 796	3 796	3 796	45 552	47 647	49 839	
Other material	400	400	400	400	400	400	400	400	400	400	400	400	400	400	4 803	5 024	5 256
Contracted se	8 130	8 130	8 130	8 130	8 130	8 130	8 130	8 130	8 130	8 130	8 130	8 130	8 130	97 564	100 691	104 442	
Transfers and	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and	1 142	1 142	1 142	1 142	1 142	1 142	1 142	1 142	1 142	1 142	1 142	1 142	1 142	13 704	14 335	14 908	
Other expend	3 041	3 041	3 041	3 041	3 041	3 041	3 041	3 041	3 041	3 041	3 041	3 041	3 041	36 489	38 185	40 580	
Cash Payments	30 415	30 415	30 415	30 415	30 415	30 415	30 415	30 415	30 415	30 415	30 415	30 415	30 415	364 974	383 108	402 849	
Other Cash Flows/Payments by Type																	
Capital assets	-	-	35 967	35 967	-	35 967	-	35 967	35 967	-	35 967	-	-	215 800	223 178	247 409	
Repayment o	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Cash F	3 417	3 417	3 417	3 417	3 417	3 417	3 417	3 417	3 417	3 417	3 417	3 417	21 334	58 917	61 628	64 462	
Total Cash Pay	33 831	33 831	69 798	69 798	33 831	69 798	33 831	69 798	33 831	69 798	33 831	69 798	51 749	639 691	667 913	714 720	
NET INCREASE/(DECREASE) IN CASH HELD	160 913	(28 585)	(64 552)	(64 552)	(28 585)	124 946	(28 585)	(64 552)	124 946	(28 585)	(64 552)	(46 503)	(8 246)	5 182	(3 574)		
Cash/cash equiv	51 183	212 096	183 511	118 959	54 407	25 822	150 768	122 183	57 631	182 577	153 992	89 440	51 183	42 938	48 119	44 545	
Cash/cash equiv	212 096	183 511	118 959	54 407	25 822	150 768	122 183	57 631	182 577	153 992	89 440	42 938	48 119	44 545			

15. ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS

Background

In term of Section 24(1) of the Municipal Finance Management Act (MFMA) No. 56 of 2003, the council of the municipality must for each year approve an annual budget for the municipality before the start of the financial year. Section 16(1) of MFMA states that, the council of a municipality must for each financial year approve an annual budget. Section 16(2) for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 30 days before the start of the budget year.

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high priority programmes to maintain sound financial stewardship.

The Municipality is embarking on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers mainly state owned. Some of these revenue collection strategies are through the 2019-23 valuation roll which was loaded in the 2019/20 financial year. This new valuation roll will assist with new organ of state which were part of the area allocated to Moretele since the last demarcation.

NW371 Moretele - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description R thousand	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote																
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		34 573	34 647	34 562	34 540	34 581	34 562	34 574	35 929	35 900	35 945	36 004	51 174	436 990	466 325	492 925
Vote 4 - Finance Department		422	422	422	422	422	422	422	422	422	422	422	422	5 062	5 295	5 539
Vote 5 - Community Development Services		75	75	75	75	75	75	75	75	75	75	75	798	1 621	1 696	1 774
Vote 6 - Infrastructure Development Services		20 268	20 872	20 734	20 141	20 461	20 241	20 152	20 180	20 286	20 212	20 334	31 213	255 093	270 196	284 565
Vote 7 - Local Economic Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		55 338	56 016	55 792	55 177	55 538	55 299	55 222	56 605	56 682	56 654	56 835	83 607	698 766	743 512	784 803
Expenditure by Vote to be appropriated																
Vote 1 - Executive and Council		5 314	4 992	4 453	5 293	4 492	4 377	4 377	5 304	4 781	4 946	5 987	7 366	61 680	65 293	69 119
Vote 2 - Municipal Manager		417	329	532	366	451	328	423	335	367	415	455	393	4 810	5 093	5 392
Vote 3 - Corporate Services		4 312	4 714	11 696	10 070	10 022	2 884	6 640	6 100	5 791	3 967	4 207	25 233	95 637	100 420	105 457
Vote 4 - Finance Department		3 657	3 092	3 092	3 092	3 092	3 092	3 092	3 092	3 092	3 092	3 092	3 092	37 664	39 861	42 189
Vote 5 - Community Development Services		3 130	3 129	3 129	3 642	3 204	3 123	3 160	3 136	3 129	3 167	3 189	3 692	38 836	41 055	43 403
Vote 6 - Infrastructure Development Services		13 859	17 508	16 921	16 037	16 755	13 700	12 947	16 064	13 973	13 743	13 020	22 258	186 786	198 351	207 459
Vote 7 - Local Economic Development		2 940	2 940	2 940	3 113	3 025	2 940	2 940	2 940	2 940	2 942	3 218	2 940	35 816	33 717	34 610
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		33 629	36 703	42 762	41 611	41 041	30 449	33 579	36 971	34 072	32 271	33 168	64 974	461 229	483 790	507 629
Surplus/(Deficit) before assoc.		21 709	19 313	13 031	13 566	14 497	24 850	21 644	19 635	22 610	24 383	23 667	18 632	237 538	259 722	277 174
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	21 709	19 313	13 031	13 566	14 497	24 850	21 644	19 635	22 610	24 383	23 667	18 632	237 538	259 722	277 174

Medium Term Revenue and Expenditure Framework (MTREF) Budget for 2020/21, 2021/22 and 2022/23 FY

NW371 Moretele - Supporting Table SA36 Detailed capital budget							2020/21 Medium Term Revenue & Expenditure Framework			
R thousand	Function	Project Description	Project Number	Type	Asset Class	Asset Sub-Class	Ward Location	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Parent municipality: List all capital projects grouped by Function										
Motla Water Supply	Water		New	Water Supply Infrastructure	Distribution	Ward 26		6 400	26 290	25 000
Ward 5 (Ga-Habedi, Flikzynlydrift, Seutse Water	Water		New	Water Supply Infrastructure	Distribution	Ward 05		26 089	20 000	10 000
Ward 7 (Legaganeng, Block C, Mmotoni Water	Water		New	Water Supply Infrastructure	Distribution	Ward 07		2 800		
Ward 2 (Olverton, Voyenteen, Swartbos Water	Water		New	Water Supply Infrastructure	Distribution	Ward 02		35 175		
WCDM 13, 14, 15, 16, 17, 18, 22 conituous Water	Water		New	Water Supply Infrastructure	Distribution	Ward 13, 14, 15, 16, 17, 18, 22		17 825	24 888	25 000
Refurbishment of boreholes in various Water	Water		New	Water Supply Infrastructure	Distribution	Various Wards		2 000	10 000	10 000
Ward 22 Water Reticulation and Yard C Water	Water		New	Water Supply Infrastructure	Distribution	Ward 22				19 409
Yard Connections-Mimathwela, Mochek Water	Water		New	Water Supply Infrastructure	Distribution	Various Wards				12 000
Yard Connections Seutelong, Flinkyldri Water	Water		New	Water Supply Infrastructure	Distribution	Ward 05			15 000	
Basic Sanitation in ward 3, 4, 5, 6, 7, 8, 9 Sanitation	Sanitation		New	Sanitation Infrastructure	Toilet Facilities	Ward 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16		29 400	30 000	70 000
Ward 1(Little & Bolantlwe) Basic San Sanitation	Sanitation		New	Sanitation Infrastructure	Toilet Facilities	Ward 01		6 000		
Ward 18 (Mathibestad) basic Sanitation Sanitation	Sanitation		New	Sanitation Infrastructure	Toilet Facilities	Ward 18		4 000	6 000	
Ward 19 (Mathibestad) Basic Sanitation Sanitation	Sanitation		New	Sanitation Infrastructure	Toilet Facilities	Ward 19		6 000	6 000	
Ward 23 (Kromkuil) Basic Sanitation Ph Sanitation	Sanitation		New	Sanitation Infrastructure	Toilet Facilities	Ward 23		6 000		
Ward 24 (Mathibestad) Basic Sanitation Sanitation	Sanitation		New	Sanitation Infrastructure	Toilet Facilities	Ward 24		4 000	6 000	
Ward 26 (Ratjiepane) Basic Sanitation Sanitation	Sanitation		New	Sanitation Infrastructure	Toilet Facilities	Ward 26		4 000	6 000	
Ward 13 & 14 Sanition	Sanitation		New	Sanitation Infrastructure	Toilet Facilities	Ward 13 & 14			6 000	
Upgrading of an Internal road in Ward 2 Roads	Roads		New	Roads Infrastructure	Roads	Ward 02		11 000		
Upgrading of Internal road in Motla Roads	Roads		New	Roads Infrastructure	Roads	Ward 03		15 000		
Upgrading of Internal road in Makapans Roads	Roads		New	Roads Infrastructure	Roads				15 000	6 000
Upgrading of Internal road in Ward 3 (Cyferskuil)									6 000	15 000
Construction of sports complex in ward Sports complex			New	Sport and Recreation Facilities	Outdoor Facilities	Ward 04		6 000		
Community Hall Moeka									6 000	12 000
Construction of High Mast Lights in W2 High Mast Lights			New	Electrical Infrastructure	LV Networks	Ward 13		5 500		
Construction of High Mast Lights in W4 High Mast Lights			New	Electrical Infrastructure	LV Networks	Ward 14		5 500		
High Mast Lights in various wards									15 000	15 000
Water tretment works in various wards									10 000	10 000
Municipal Office Building	Building		New	Building	Municipal Offices	Municipality		18 000	15 000	18 000
Steel Cabinets x 4	Furniture		New	Furniture and Office Equipment	Unspecified	Municipality		596		
Container x 3	Equipment		New	Furniture and Office Equipment	Unspecified	Municipality		375		
JET Combination Truck	Vehicle		New	Transport Assets	JET Combination Truck	Municipality		2 800		
Park Facilities	Machinery and Equipment		New	Machinery and Equipment	JET Combination Truck	Municipality		154		
GYM Equipments	Equipment		New	Equipment	Equipment	Municipality		186		
Council Recording System	Equipment		New	Equipment	Council Recording System	Municipality		1 000		
Parent Capital expenditure								215 800	223 178	247 409

16.ANUAL BUDGET AND SERVICE DELIVERY AGREEMENTS- ENTITIES AND EXTERNAL MECHANISMS

Not applicable- the municipality does not have an entity

17.CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

NW371 Moretele - Supporting Table SA35 Future financial implications of the capital budget

Vote Description R thousand	Ref	2020/21 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Present value
Capital expenditure	1							
Vote 1 - Executive and Council		–	–	–				
Vote 2 - Municipal Manager		–	–	–				
Vote 3 - Corporate Services		1 971	–	–				
Vote 4 - Finance Department		18 000	15 000	18 000				
Vote 5 - Community Development Services		6 340	6 000	12 000				
Vote 6 - Infrastructure Development Services		189 489	202 178	217 409				
Vote 7 - Local Economic Development		–	–	–				
Vote 8 -		–	–	–				
Vote 9 -		–	–	–				
Vote 10 -		–	–	–				
Vote 11 -		–	–	–				
Vote 12 -		–	–	–				
Vote 13 -		–	–	–				
Vote 14 -		–	–	–				
Vote 15 -		–	–	–				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		215 800	223 178	247 409	–	–	–	–
Future operational costs by vote	2							
Vote 1 - Executive and Council		–	–	–				
Vote 2 - Municipal Manager		–	–	–				
Vote 3 - Corporate Services		–	–	–				
Vote 4 - Finance Department		–	–	–				
Vote 5 - Community Development Services		–	–	–				
Vote 6 - Infrastructure Development Services		–	–	–				
Vote 7 - Local Economic Development		–	–	–				
Vote 8 -		–	–	–				
Vote 9 -		–	–	–				
Vote 10 -		–	–	–				
Vote 11 -		–	–	–				
Vote 12 -		–	–	–				
Vote 13 -		–	–	–				
Vote 14 -		–	–	–				
Vote 15 -		–	–	–				
<i>List entity summary if applicable</i>								
Total future operational costs		–	–	–	–	–	–	–
Future revenue by source	3							
Property rates		–	–	–				
Service charges - electricity revenue		–	–	–				
Service charges - water revenue		–	–	–				
Service charges - sanitation revenue		–	–	–				
Service charges - refuse revenue		–	–	–				
Rental of facilities and equipment		–	–	–				
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
Total future revenue		–	–	–	–	–	–	–
Net Financial Implications		215 800	223 178	247 409	–	–	–	–

[References](#)

18. CAPITAL EXPENDITURE DETAILS

NW371 Moretele - Supporting Table SA34a Capital expenditure on new assets by asset class										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		222 190	192 864	185 686	178 041	183 044	183 044	186 689	187 178	202 409
Roads Infrastructure		74 447	53 723	62 465	30 000	37 090	37 090	26 000	21 000	21 000
Roads		74 447	53 723	62 465	30 000	37 090	37 090	26 000	21 000	21 000
Electrical Infrastructure		1 097	33 274	4 833	14 500	5 150	5 150	11 000	–	–
LV Networks		–	–	–	–	–	–	11 000	–	–
Capital Spares		1 097	33 274	4 833	14 500	5 150	5 150	–	–	–
Water Supply Infrastructure		126 512	90 370	105 785	85 541	80 050	80 050	90 289	106 178	111 409
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	2 000	10 000	10 000
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		126 512	90 370	105 785	85 541	80 050	80 050	88 289	96 178	101 409
Distribution Points		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		19 350	15 497	12 603	48 000	60 754	60 754	59 400	60 000	70 000
Toilet Facilities		19 350	15 497	12 603	48 000	60 754	60 754	59 400	60 000	70 000
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		784	–	–	–	–	–	–	–	–
Waste Drop-off Points		784	–	–	–	–	–	–	–	–
Community Assets		–	–	16 189	11 000	5 997	5 997	6 340	6 000	12 000
Community Facilities		–	–	–	–	–	–	6 186	6 000	12 000
Halls		–	–	–	–	–	–	–	6 000	12 000
Parks		–	–	–	–	–	–	6 186	–	–
Public Open Space		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	16 189	11 000	5 997	5 997	154	–	–
Indoor Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		–	–	16 189	11 000	5 997	5 997	154	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Other assets		16 181	2 712	16 189	10 600	10 600	10 600	375	–	–
Operational Buildings		16 181	2 712	16 189	10 600	10 600	10 600	–	–	–
Municipal Offices		16 181	2 712	16 189	10 600	10 600	10 600	–	–	–
Housing		–	–	–	–	–	–	375	–	–
Staff Housing		–	–	–	–	–	–	375	–	–
Computer Equipment		–	–	18 006	–	–	–	–	–	–
Computer Equipment		–	–	18 006	–	–	–	–	–	–
Furniture and Office Equipment		–	656	618	–	300	300	1 596	–	–
Furniture and Office Equipment		–	656	618	–	300	300	1 596	–	–
Machinery and Equipment		11 952	–	–	–	–	–	–	–	–
Machinery and Equipment		11 952	–	–	–	–	–	–	–	–
Transport Assets		–	7 538	–	–	–	–	2 800	–	–
Transport Assets		–	7 538	–	–	–	–	2 800	–	–
Total Capital E	1	250 323	203 771	236 688	199 641	199 941	199 941	197 800	193 178	214 409

19. LEGISLATIVE COMPLIANCE STATUS

Compliance with the MFMA implementation requirements has been adhered to through the following activities:

In-year reporting

Reporting to the National Treasury in electronic format is fully complied with monthly. Section 71 reporting to the Executive Mayor (within ten working days). Furthermore, in compliance with the National Treasury regulation published in Government Gazette 32141, the monthly in-year financial reports are submitted to the Executive Mayor and on a quarterly basis to the Council. Internship programme. The Municipality employed 5 Financial Management Interns.

Budget and Treasury Office.

The Budget and Treasury Office has been established in accordance with the MFMA.

Audit Committee:

An audit committee has been established.

SDBIP

The Final SDBIP document is available as part of the 2020/2021 MTREF Final budget.

BUDGET ENGAGEMENTS WITH PROVINCIAL TREASURY

The municipality will take part in the annual provincial budget assessment engagements for the year 2020/21. These considerations consider the non-cash items to the value of R96million.

MFMA Regulations on municipal minimum competency levels

All subsequent appointments as required to complete the minimum competency requirements were within a specified timeframe as part of their performance agreements.

MSCOA

The Municipality is now fully MSCOA compliant.

20. OTHER SUPPORTING DOCUMENTS

BUDGET TARIFFS

Town Planning Tariffs

Spatial Planning and Land Use Management Act (SPLUMA) Fees	
<u>Application for:</u>	
a. Township Establishment	R3500.00
b. Extension of boundaries of a Township	R1750.00
c. Lodging of a layout plan for approval by the Surveyor General	R1400.00
d. Rezoning	R2000.00
e. Subdivision of property	R600.00
f. Consolidation of property	R500.00
g. Special or written consent	R450.00

h. Removal of Restrictive Conditions	R800.00
i. Amendment or cancellation in Whole or Part of a General Plan of a Township	R1300.00
j. Permanent Closure of a Public Place	R1200.00

Zoning Certificate

a. Issuing of Zoning Certificate	R90.00
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Building Plans

b. Per 10 m ²	R97.50
c. Admin fee	R196.60

Moretele Local Municipality



2020/21 PROPOSED SCHEDULE OF RATES AND TARRIFS

The proposed tariffs are to be increased to 5.5% for all other services (rounded off to the nearest tenth) and 6% for water related services for the 2019/20 financial year for existing tariffs where applicable and where new tariffs have been applied, the application was done through benchmarking with neighbouring municipalities and previous tariffs.

1. Refuse Removal

Description	2019/20	2020/21
Residential	R38.00 (Excl.VAT)	R40,00 (Excl.VAT)
Business and Government Institution	R75.00 (Excl.VAT)	R80,00 (Excl.VAT)

2. Sewerage

Description	2019/20	2020/21
Residential	R38.00 (Excl.VAT)	R40,00 (Excl.VAT)
Business and Government Institution	R53.00 (Excl.VAT)	R56,00 (Excl.VAT)

3. Water provision

3.1 Yard Connection

Description	2019/20	2020/21
15mm(Yard Connection) per household	R 1,810	R1 928
20mm(Yard connection) per household	R 1,942	R2 068
25mm(Yard connection) per household	R 2087	R2 223
40mm(Yard connection) per household	R 2,285	R2 434

3.2 Domestic Consumption (Metered Consumers)

Description	2019/20	2020/21
Fixed Monthly Service Charges	R53.00 (Excl.VAT)	R56,00 (Excl.VAT)
0- 6kl	R 0.00	R 0.00
6.1-45 kl	R8.31(Excl.VAT)	R8,85(Excl.VAT)
45.1 and above	R9.50 (Excl.VAT)	R10.12 (Excl.VAT)

3.3 Domestic Consumption (Communal standpipe)

Description	2019/20	2020/21
Fixed Monthly- Flat Rate (unmetered households)	R53.00 (Excl.VAT)	R56,00 (Excl.VAT)

3.4 Business and Industrial Consumers

Description	2019/20	2020/21
Fixed Monthly Service Charges	R53.00 (Excl.VAT)	R56,00 (Excl.VAT)
0 - 6kl	R0.00	R 0.00
6.1 - 45 kl	R8.31 (Excl.VAT)	R8.85 (Excl.VAT)
45.1 and above	R9.50 (Excl.VAT)	R10.12 (Excl.VAT)

3.5 Water delivery to households through water tanker

Description	2019/20	2020/21
Funerals		
Flat rate R 86.00 Plus Kilolitres. (15/16=R92)	R 22.00	R 23.00
Weddings, Parties and family gathering requests Flat rate R98.00 plus Kiloliters (15/16=R105)	R 25.00	R 27.00

3.6 Industrial and large consumption that is not included in the Domestic Consumption

Description	2019/20	2020/21
0.6 Kiloliters	R0.00	R0.00
6.1 kl and above	R9.50 (Excl.VAT)	R10.12 (Excl.VAT)

4. CEMETRY

4.1 Extra Costs on Request

Description	2019/20	2020/21
Digging of an adult grave	R 935.00	R 996.00
Digging of a child grave	R 620.00	R 660.00
Trimming or brick walling per adult grave	R 1,137.00	R 1 211.00
Trimming or brick walling per child care	R 780.00	R 831.00

4.2 All request from outside the jurisdiction Area

Description	2019/20	2020/21
Adult burial	R 2,206.00	R 2 349.00
Child burial	R 1030.00	R 1 097.00

4.3 Community Halls and Libraries.

Description	2019/20	2020/21

Library Fee (joining fee)	R 62.00	R 66.00
Hall Bookings	R 620.00	R 660.00
SASSA Paypoint Hall booking fees (per annum)	R 1,246.00	R 1 327.00
Stall Rental (Makapanstad)	R 595.00	R 634.00

4.4 Sundry Charges

Description	2019/20	2020/21
Photocopy	R 2.50	R 2.66
Outgoing Fax per Page	R 7.00	R 7.46
Print outs	R 2.70	R 2.88
Clearance certificates	R 71.00	R 76.00

4.5 Advertising

Description	2019/20	2020/21
Posters and leaflets	R 466.00	R 496.00
Billboards advert per month	R 930.00	R 990.00

NB. No private posters will be allowed to be put up without municipal authorization.

5. Machinery and Equipment Hire

Description	2019/20	2020/21
Hiring of TLB per hour	R 648.00	R 690.00
Hiring of Grader per hour	R 648.00	R 690.00
Hiring of smooth roller per hour	R 365.00	R 389.00
Hiring of Low bed per kilometer	R 30.00	R 32.00
Hiring of tipper truck per kilometer	R 21.00	R 22.00
Hiring of tractors per h/a (FARMING)	R 415.00	R 442.00
Hiring of tractors (Residential)	R 265.00	R 282.00

6. Recreational Facilities Hire

R	2019/20	2020/21
Hiring of Stadium	R 527.00	R 561.00
Hiring of Park	R 694.00	R 739.00
Gym membership affiliation per month	R 140.00	R 149.00

7. Assessment Rates

All ratable properties and improvements shall be rated on an annual base and may be broken down into

Rateable Property	Rates 2019/20	Rates 2020/21
Residential	R0.001 in the Rand on Market Value of any land and improvements	R0.001 in the Rand on Market Value of any land and improvements
Agricultural Properties including small holdings	R0.001 in the Rand on Market Value of any land and improvements	R0.001 in the Rand on Market Value of any land and improvements
State Owned Land (Developed and Undeveloped)	R0.040 in the Rand on Market Value of any land and improvements	R0.040 in the Rand on Market Value of any land and improvements
Government properties	R0.060 in the Rand on Market Value of any land and improvements	R0.060 in the Rand on Market Value of any land and improvements
Mining	R0.050 in the Rand on Market Value of any land and improvement	R0.050 in the Rand on Market Value of any land and improvement
Public Service Infrastructures .e.g. Eskom, Telkom ,MTN , Vodacom, Cell-C and telecommunications installations	R0.040 in the Rand on Market Value of any land and improvement	R0.040 in the Rand on Market Value of any land and improvement
Business	R0.035 in the Rand on the Market Value of any land and improvement	R0.035 in the Rand on the Market Value of any land and improvement
Holiday resorts, Hotels, entertainments centers and shopping centers.	R0.035 in the Rand on the Market Value of any land and improvement	R0.035 in the Rand on the Market Value of any land and improvement
Industrial undertaking	R0.050 in the Rand on the Market Value of any land and improvement	R0.050 in the Rand on the Market Value of any land and improvement

All ratable land excluding households properties under the Tribal Management whether registered in the State and Parastatal owned institutions like Hospitals ,Schools, Clinics ,Tertiary , Educational Institutions,

7. Other

For all miscellaneous items, please consult the office of the Municipal Manager. The Schedule of building properties are attached separately.

To note – our offices are open between 7H30 and 16h00 daily, payments can be made at the municipal offices and with Ward Cashiers. Please always request for proof of payment. All municipal accounts are payable on or before the 7th of every month,

**21. ANNUAL BUDGETS OF THE MUNICIPAL ENTITIES ATTACHED TO
THE ANNUAL BUDGET**

Not applicable -the municipality does not have an entity

22. MUNICIPAL MANAGER'S QUALITY CERTIFICATE

(SEE THE ATTACHED)